TE OPE KĀTUA O AOTEAROA
DEFENCE FORCE

New Zealand Defence Force
Savings Schemes

Monthly report

For the period ended 30 June 2026

Market performance summary
– June in a snapshot

- The markets in June were supported by easing geopolitical tensions, lower energy prices and improving investor sentiment following the reopening of the Strait of Hormuz.
- New Zealand shares and sovereign bonds both delivered positive returns over the month, helped by falling bond yields, softer inflation concerns and stronger-than-expected domestic growth data.
- The NZDF Savings Schemes delivered positive investment returns across all options during this period.
- Members of the NZDF Savings Schemes will receive Annual Reports 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 2026

Investor confidence improved in June as tensions in the Middle East eased and energy prices declined.

The reopening of the Strait of Hormuz helped reduce a key source of market concern, supporting lower oil prices and a better tone across financial markets. However, investors remained aware that interest rates are still high and central banks are not yet ready to shift to a less cautious stance.

In New Zealand, the shift in mood was reflected across both shares and bonds. Local equities rose 2.9% over the month, supported by lower energy prices, reduced geopolitical pressure and first-quarter GDP growth of 0.8%, which confirmed the economy is still expanding. Fixed interest markets also performed well, with New Zealand sovereign bonds returning 1.3% as yields moved lower and expectations for further policy tightening became less aggressive.

Overseas shares also delivered positive returns for New Zealand Investors during June. Unhedged overseas shares returned 4.5% with most of this gain reflecting the weaker New Zealand dollar. Excluding this currency effect, global share markets were broadly unchanged. Performance varied across different parts of the market. Healthcare and financial companies performed well, while telecommunications companies lagged. Emerging market shares also delivered positive returns, supported by continued interest in AI-linked growth themes concentrated in Asia.

The near-term market outlook has improved, but not all of the pressure points have disappeared. Lower oil prices should help ease inflation concerns and reduce the need for further rate hikes, but policymakers are unlikely to declare victory too soon. For investors, that still supports a measured approach. Mercer continues to prefer New Zealand sovereign bonds over cash and remains positive on overseas equities, where earnings expectations and balance-sheet strength continue to provide support.



Monthly Commentary Ended 30 June 2026



Global

The United States and Iran reached an agreement to end hostilities and restore shipping through the Strait of Hormuz, helping Brent crude fall to around US$75 a barrel. During the month, the European Central Bank (ECB) and the Bank of Japan (BoJ) lifted rates by 0.25%, while the Fed, BoE and Reserve Bank of Australia (RBA) left policy settings unchanged.

New Zealand

GDP rose 0.8% quarter-on-quarter in the first quarter of 2026, lifting annual growth to 1.5%. New Zealand shares gained 2.9% in June, while sovereign bonds returned 1.3% as bond yields fell and markets reduced expectations for further near-term Official Cash Rate (OCR) increases.

Become Wealth Monthly Commentary Ended 30 June 2026

Test Day

Each service tests fitness in its own way. The details and the purpose vary, but the principle remains: on test day, you front up, you get measured, and you know exactly where you stand.

Your finances deserve the same discipline. A proper check, at a regular interval, focused on what matters. This beats constant monitoring and guesswork.

Fitness is built between test days

Nobody gets fit on test day. The result is decided in the months beforehand, through steady, repetitive, unglamorous training. The test itself does two jobs: it confirms the work is paying off, and it catches any slide early, while it is still easy to turn around.

Wealth works the same way. Regular contributions, time, and the discipline to stay invested through the wobbles do almost all the work. None of it looks impressive on any single day. Over the years, it compounds into something substantial.

Why not check every day?

For the same reason you don't do a fitness test every day. If you tested every day you'd struggle to just get on with life, be distracted from building overall fitness, and start overanalysing even small variations. Investment balances behave the same. Watch every movement and you will be tempted to react to noise. Step back, and the trend becomes clear.

What a check-in covers

What does the financial version of the fitness test look like? A conversation, about once a year, on questions such as: How has life changed? What goals have you ticked off? What goals remain? Are you doing enough to achieve them? Is your timeframe still the same? A posting, a promotion, plans to buy a home, a growing family, or retirement coming into view can all change what your savings need to do. In short: are you on track?

The lesson

The test doesn't build the fitness, and the check-in doesn't build the wealth. Habits do. But an honest annual look confirms your habits are working, and catches any drift while it is small.

What Next?

A financial fitness test involves no push-ups. We provide advice on your NZDF scheme investments as part of this service, so get in touch to book your annual financial check-in:

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Investment Returns For Periods Ended 30 June 2026

New Zealand Defence Force FlexiSaver Scheme

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
28% prescribed investor rate (PIR)	Cash	0.16	0.42	0.42	1.85	2.42	1.61
	Conservative	0.83	2.94	2.94	4.65	2.12	2.78
	Moderate	1.24	5.01	5.01	8.28	3.48	4.18
	Balanced	1.63	7.23	7.23	11.99	4.85	5.85
	Growth	2.06	9.36	9.36	15.63	6.29	7.57
	High Growth	2.37	11.35	11.35	19.04	7.50	8.95
	Shares	2.62	12.66	12.66	20.69	7.89	9.94

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
17.5% prescribed investor rate (PIR)	Cash	0.17	0.47	0.47	2.09	2.75	1.87
	Conservative	0.92	3.22	3.22	5.19	2.40	3.07
	Moderate	1.29	5.18	5.18	8.67	3.69	4.43
	Balanced	1.67	7.38	7.38	12.41	5.11	6.18
	Growth	2.11	9.50	9.50	16.14	6.62	7.95
	High Growth	2.39	11.34	11.34	19.27	7.80	9.28
	Shares	2.73	12.74	12.74	21.13	8.12	10.28

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
10.5% prescribed investor rate (PIR)	Cash	0.19	0.51	0.51	2.28	2.99	1.99
	Conservative	0.92	3.29	3.29	5.37	2.48	3.22
	Moderate	1.39	5.32	5.32	8.99	3.87	4.62
	Balanced	1.70	7.46	7.46	12.65	5.20	6.35
	Growth	2.12	9.62	9.62	16.36	6.75	8.13
	High Growth	2.43	11.39	11.39	19.43	7.89	9.49
	Shares	2.74	12.90	12.90	21.41	8.32	10.54

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 may 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.
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* FYTD means Financial Year to Date, which is from 1 April 2026

Investment Returns For Periods Ended 30 June 2026

New Zealand Defence Force KiwiSaver Scheme

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
28% prescribed investor rate (PIR)	Cash	0.16	0.42	0.42	1.87	2.43	1.67
	Conservative	0.94	3.56	3.56	5.71	2.57	3.09
	Moderate	1.38	5.43	5.43	8.90	3.58	4.30
	Balanced	1.79	7.96	7.96	12.95	4.86	5.91
	Growth	2.26	9.99	9.99	16.07	6.15	7.48
	High Growth	2.53	11.94	11.94	19.53	7.40	8.90
	Shares	2.67	12.75	12.75	20.83	8.00	10.00

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
17.5% prescribed investor rate (PIR)	Cash	0.17	0.49	0.49	2.12	2.78	1.92
	Conservative	1.00	3.72	3.72	5.97	2.66	3.32
	Moderate	1.44	5.60	5.60	9.20	3.68	4.48
	Balanced	1.84	8.12	8.12	13.31	5.02	6.19
	Growth	2.22	9.97	9.97	16.22	6.28	7.78
	High Growth	2.56	11.99	11.99	19.96	7.55	9.21
	Shares	2.69	12.73	12.73	21.40	8.29	10.35

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
10.5% prescribed investor rate (PIR)	Cash	0.19	0.50	0.50	2.28	3.00	2.07
	Conservative	1.04	3.82	3.82	6.27	3.08	3.63
	Moderate	1.45	5.66	5.66	9.43	3.98	4.77
	Balanced	1.87	8.16	8.16	13.37	5.07	6.27
	Growth	2.30	10.11	10.11	16.67	6.54	8.02
	High Growth	2.58	12.03	12.03	20.14	7.89	9.50
	Shares	2.72	12.83	12.83	21.39	8.45	10.56

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Investment Returns For Periods Ended 30 June 2026

Defence Force Superannuation Scheme

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
28% prescribed investor rate (PIR)	Cash	0.15	0.41	0.41	1.85	2.46	1.69
	Conservative	0.93	3.53	3.53	5.62	2.53	3.09
	Moderate	1.35	5.40	5.40	8.75	3.57	4.31
	Balanced	1.80	7.97	7.97	12.94	4.89	5.98
	Growth	2.26	9.97	9.97	15.99	6.15	7.54
	High Growth	2.51	11.90	11.90	19.45	7.38	8.93
	Shares	2.66	12.69	12.69	20.72	7.90	9.99

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
17.5% prescribed investor rate (PIR)	Cash	0.17	0.47	0.47	2.10	2.71	1.88
	Conservative	1.00	3.80	3.80	6.11	2.75	3.37
	Moderate	1.42	5.61	5.61	9.23	3.78	4.65
	Balanced	1.84	8.08	8.08	13.11	5.07	6.27
	Growth	2.30	10.04	10.04	16.35	6.37	7.88
	High Growth	2.55	11.95	11.95	19.93	7.68	9.36
	Shares	2.70	12.74	12.74	21.16	8.31	10.53

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
10.5% prescribed investor rate (PIR)	Cash	0.19	0.56	0.56	2.33	-	-
	Conservative	1.04	3.84	3.84	6.26	2.81	-
	Moderate	1.46	5.82	5.82	9.49	3.91	-
	Balanced	1.86	8.16	8.16	13.41	5.12	6.34
	Growth	2.32	10.09	10.09	16.59	6.49	-
	High Growth	2.57	11.96	11.96	20.11	7.76	9.53
	Shares	2.72	12.72	12.72	21.32	8.36	10.64

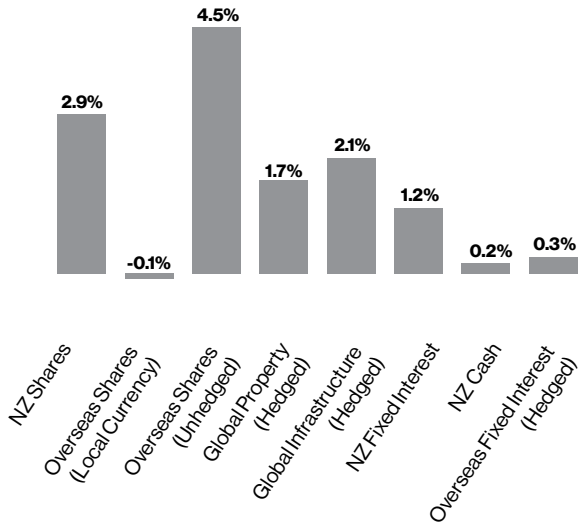
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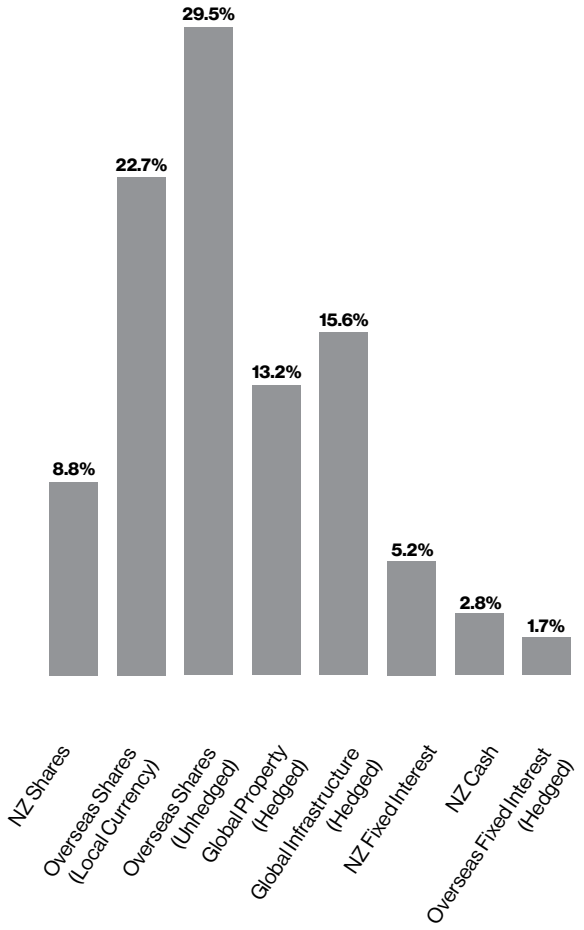
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Investment Returns For Periods Ended 30 June 2026

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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