

Monthly report

For the period ended 31 October 2025

Market performance summary

– October in a snapshot

- October marked the 10th anniversary of the NZDF savings schemes and the Force Financial Hub. The savings schemes continue to grow with over \$800m invested and 9,300 members, helping to build the long term financial security for members.
- The Reserve Bank of New Zealand (RBNZ) cut interest rates by 0.5%, lowering the official cash rate to 2.5%, the lowest in three years.
- The NZDF Savings Schemes delivered positive investment returns across all options during this period.
- If you haven't already, we encourage you watching the latest Investment Insights update from Mercer's Investment specialists.
- If you are considering changing your investment options, pausing contributions, or making a withdrawal (including when you are considering how to draw down your retirement savings), it is very important that you seek financial advice. Please contact the Become Wealth team on **0508 BECOME (0508 232 663)** or email **hello@become.nz**.



Monthly Commentary Ended 31 October 2025

In October, investors were generally positively rewarded across the board, with overseas shares (measured by MSCI World index in local currency) rising by 2.3%.

This growth was largely influenced by US companies starting their Q3 2025 earnings reporting, showing signs of profit growth. So far, 64% of S&P 500 companies have reported their results, with many of the top seven tech giants (Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia and Tesla) posting positive earnings.

New Zealand shares also rose 1.9% in the month, continuing the positive trend from international markets and marking their sixth month of gains in a row. The RBNZ cut interest rates by 0.5% (50 basis points), lowering the official cash rate to 2.5%, the lowest in three years. This is one of the key tools to manage inflation and stimulate economic growth. A decreasing OCR typically lowers borrowing costs, supports rising bond prices, increases risk appetite and makes real assets more attractive to investors.

On the global stage, there was some hopeful news as Israel and Hamas agreed on a US-brokered peace plan aimed at a ceasefire in Gaza. Meanwhile, the US government remained shut down throughout October because Congress couldn't agree on a budget, which delayed important economic data releases.

New Zealand government bonds rose 1% after the surprise rate cut by the RBNZ. Emerging market bonds also did well, rising 1.7%, as investors stayed cautious about what central banks might do next. The US Treasury yield curve remains steep, showing a mix of factors including a large supply of government debt.

Economic growth in New Zealand is estimated to improve in 2026 as interest rate cuts boost business and consumer confidence. Although ongoing geopolitical uncertainties such as tensions in the Middle East or trade disputes between major countries may continue to drive volatility.





Monthly Commentary Ended 31 October 2025



Global

Emerging market shares rose strongly by 5.6%, led by Korea, Taiwan and Brazil, while Chinese shares remained flat.

Global

The US and Chinese Presidents met in Busan and agreed to lower tariffs from 20% to 10% and pause export controls on Chinese rare earth minerals and magnets for one year.

New Zealand

The NZD fell -1.2% against the US Dollar (USD) in October, likely reflecting the surprise interest rate cut by the RBNZ and the possibility that the RBNZ may cut further than the market current expects. However, the NZD gained against other major currencies like the Euro, British Pound and Japanese Yen and held steady against the AUD.

Become Wealth Monthly Commentary Ended 31 October 2025

Sailing Toward a Storm?

When the sea is calm, the sailors of yesteryear didn't simply relax and admire the view.

They would also check the rigging, patch the sails, and review their charts. They knew fair weather never lasts forever, and the best time to prepare for rough waters is before the clouds gather. Investing follows much the same logic.

In recent years, markets have enjoyed some strong growth. It can be tempting to assume this will continue. Yet history shows that **market corrections** (storms, for the sailors reading) are a natural part of the journey. Rather than seeing this as a cause for alarm, it is more productive to treat it as an expected change in conditions. A change disciplined investors can navigate with confidence.

Preparation begins with reviewing the "ship" you are sailing. A well-balanced portfolio acts much like a sturdy vessel: diversified investments across different asset types can help reduce vulnerability when certain sectors face headwinds. Ensuring your investment mix still aligns with your goals, time horizon, and ability to withstand short-term turbulence is a sensible step while the weather is still calm.

Maintaining a cash buffer also supports resilience. Just as sailors carry supplies for an extended voyage, having readily available funds allows you to meet expenses or seize opportunities without being forced to sell investments at an unfavourable moment.

Finally, consider the value of a clear plan. A pre-agreed blueprint for how to react when markets inevitably dip can help prevent emotional decisions. Investors who remain steady, stay informed, and focus on long-term objectives are often better placed to emerge in good shape once the storm passes.

Market corrections cannot be avoided, but thoughtful preparation can turn them into manageable passages rather than crises. And those who think ahead often find they reach their destination not only safely, but stronger for the experience.

What Next?

To help you navigate the inevitable storms as make your way to financial freedom, book your complimentary initial consultation today. This includes how you can make the most of investments with one-or-more NZDF Savings Schemes:

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Investment Returns For Periods Ended 31 October 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	0.57	1.38	2.61	2.20
	Conservative	0.78	2.66	4.75	5.63	2.42
	Moderate	1.22	4.02	7.61	8.58	4.21
	Balanced	1.65	5.41	10.44	11.48	6.10
	Growth	2.08	6.81	13.24	14.14	8.12
	High Growth	2.44	8.00	15.80	16.99	9.64
	Shares	2.75	8.82	17.41	18.13	10.28
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.20	0.66	1.57	2.99	2.51
	Conservative	0.86	2.91	5.25	6.21	2.65
	Moderate	1.28	4.21	7.92	9.00	4.41
	Balanced	1.68	5.55	10.82	11.90	6.35
	Growth	2.12	6.97	13.61	14.51	8.48
	High Growth	2.50	8.12	16.10	17.38	10.01
	Shares	2.78	9.02	17.65	18.34	10.58
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.21	0.70	1.69	3.20	2.72
	Conservative	0.89	3.04	5.51	6.57	2.74
	Moderate	1.30	4.36	8.19	9.32	4.60
	Balanced	1.73	5.71	10.99	12.07	6.49
	Growth	2.20	7.00	13.57	14.39	8.61
	High Growth	2.51	8.11	16.22	17.32	10.16
	Shares	2.81	8.96	17.81	18.41	10.77

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 October 2025

New Zealand Defence Force KiwiSaver Scheme

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.18	0.59	1.39	2.65	2.20
	Conservative	0.92	3.04	5.54	6.65	2.78
	Moderate	1.29	4.25	7.93	8.70	4.28
	Balanced	1.78	5.81	11.00	11.62	6.03
	Growth	2.18	6.97	13.37	13.70	7.92
	High Growth	2.54	8.22	15.94	16.51	9.51
	Shares	2.78	8.88	17.51	18.37	10.38
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.20	0.64	1.57	3.02	2.52
	Conservative	0.97	3.21	5.85	7.10	2.85
	Moderate	1.33	4.38	8.21	9.10	4.37
	Balanced	1.84	5.97	11.33	12.05	6.22
	Growth	2.23	7.13	13.72	14.04	8.16
	High Growth	2.60	8.37	16.19	16.81	9.72
	Shares	2.83	9.09	17.97	18.81	10.74
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.21	0.71	1.71	3.26	2.72
	Conservative	1.02	3.47	6.19	7.46	3.28
	Moderate	1.40	4.52	8.40	9.39	4.67
	Balanced	1.81	5.94	11.33	12.08	6.30
	Growth	2.23	7.21	14.02	14.45	8.43
	High Growth	2.60	8.37	16.43	17.06	10.12
	Shares	2.82	8.99	17.79	18.62	10.94

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Investment Returns For Periods Ended 31 October 2025

Defence Force Superannuation Scheme

PIR	Fund	1 Month %	3 Months %	FYTD [*] %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.18	0.58	1.40	2.68	2.24
	Conservative	0.91	3.04	5.49	6.64	2.77
	Moderate	1.28	4.25	7.85	8.64	4.28
	Balanced	1.77	5.81	11.00	11.63	6.10
	Growth	2.17	6.95	13.38	13.61	7.95
	High Growth	2.53	8.21	15.89	16.51	9.49
	Shares	2.77	8.82	17.44	18.26	10.30
PIR	Fund	1 Month %	3 Months %	FYTD [*] %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.20	0.65	1.45	2.59	2.46
	Conservative	1.04	3.31	6.00	7.25	2.97
	Moderate	1.33	4.42	8.23	9.16	4.53
	Balanced	1.76	5.87	11.16	11.79	6.33
	Growth	2.19	7.08	13.80	14.10	8.24
	High Growth	2.59	8.27	16.22	16.80	9.87
	Shares	2.79	8.98	17.74	18.69	10.86
PIR	Fund	1 Month %	3 Months %	FYTD [*] %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.22	0.72	1.73	3.29	-
	Conservative	0.97	3.36	6.06	7.34	2.95
	Moderate	1.30	4.48	8.36	9.28	-
	Balanced	1.78	5.99	11.47	12.20	6.35
	Growth	2.23	7.18	13.86	14.19	8.39
	High Growth	2.61	8.41	16.35	16.95	10.01
	Shares	2.82	9.03	17.87	18.76	10.87

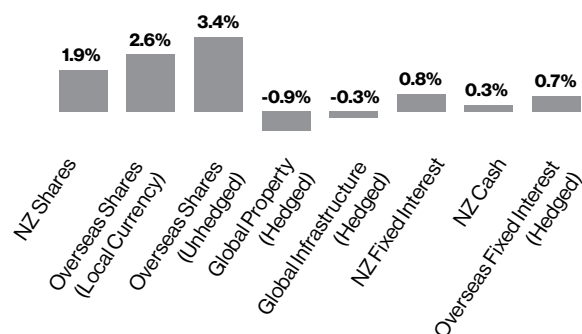
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- '-' indicates that investment option was not operating for the full period or did not have funds invested for the full period.

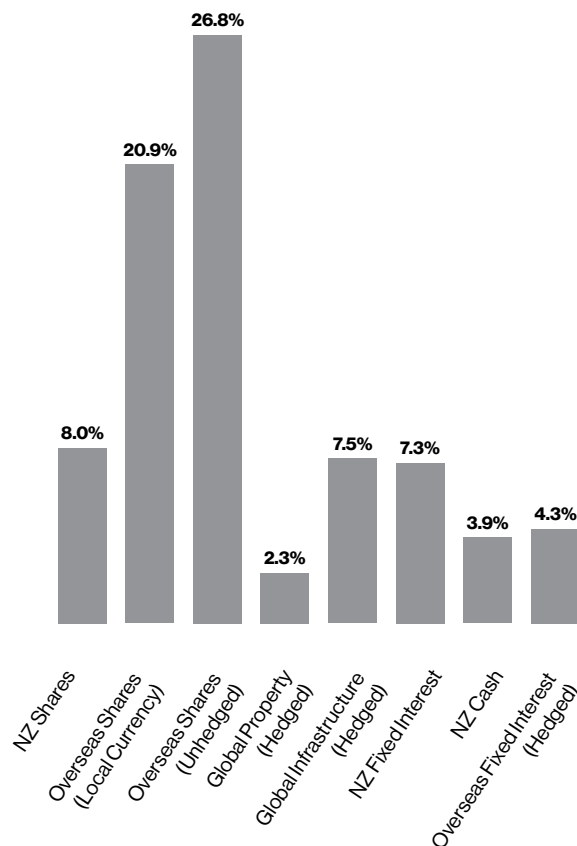
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Investment Returns For Periods Ended 31 October 2025

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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