



TE OPE KĀTUA O AOTEAROA  
**DEFENCE FORCE**

New Zealand Defence Force  
**Savings Schemes**

# Monthly report

For the period ended 31 December 2025

## Market performance summary

### – December in a snapshot

- In December, many asset classes remained relatively resilient in the face of increased volatility instigated by Trump, AI companies and the ongoing geopolitical conflicts around the world.
- Most of the NZDF Savings Scheme's investment options delivered positive returns, except for the Conservative and Moderate investment options.
- Whether you're saving for your first home, retirement or have another goal in mind, your savings goals will impact your investment timeframe. This is one of the important things to consider when choosing the right investment option for you. Mercer's Fund Selector can help you decide which option is best for your situation. To use the Fund Selector, **click here** or access it at **[www.nzdfsavings.mil.nz](http://www.nzdfsavings.mil.nz)**
- Before making any changes to your investment option(s) or making a decision to withdraw your money, you should discuss this with your financial adviser or NZDF's appointed financial advisers at Become Wealth team by calling **0508 BECOME (0508 232 663)** or emailing **[hello@become.nz](mailto:hello@become.nz)**.



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# Monthly Commentary Ended 31 December 2025

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## **In December 2025, both overseas and New Zealand shares rose by 0.5%. This positive movement was largely driven by a rate cut from the US Federal Reserve, which boosted investor confidence.**

Within New Zealand, the industrial, healthcare, and communication sectors led the gains, while the technology sector showed mixed results. For overseas shares financials and communication services sectors lead returns this month while the utilities sector dragged performance back, returning -5.1%.

New Zealand's economy demonstrated resilience with GDP growth of 1.1% in the third quarter of 2025, surpassing expectations by 0.9%. Business confidence was also strong, growing for the second month in a row. Suggesting economic recovery and growth may come in 2026.

Internationally, geopolitical risks remain elevated. On 3rd January 2026, the US launched a military operation in Venezuela to capture President Maduro. At the same time, tensions between Japan and China grew after Japan's Prime Minister said Japan would use its military if Taiwan was attacked. This upset China, which responded with threats of economic retaliation. Central banks worldwide are adjusting their policies in response to these challenges. The US Federal Reserve lowered interest rates, while the Bank of Japan increased them. Labour market data from the US showed signs of weakening, with rising unemployment, and the UK economy contracted during the same period.

Looking ahead, New Zealand's economy is expected to strengthen further, supported by lower interest rates and rising business and consumer confidence. However, geopolitical tensions could increase volatility in the markets. Globally, the economy is anticipated to remain resilient, driven by solid consumer spending in the US and growth in emerging markets.





# Monthly Commentary Ended 31 December 2025



## Venezuela

The situation in Venezuela is not expected to impact international markets significantly. Typically, heightened geopolitical risks increase investor concerns and push oil prices higher. Despite the country holding the world's largest oil reserves, Venezuela's oil output has declined as its infrastructure has deteriorated. If output is restored and increased, higher supply could instead put downward pressure on oil prices.

## Global

The US Federal Reserve is likely to cut rates further, but likely not as much as markets expect. The Bank of Japan is expected to keep raising rates, while the Bank of England will likely start easing policy as inflation moves closer to its target.

## New Zealand

New Zealand's business confidence is at a 30-year high, supported by rising consumer optimism, which is expected to drive economic growth in 2026.

# Become Wealth Monthly Commentary Ended 31 December 2025

## All That Glitters

Humans have a long-standing obsession with shiny yellow metal: gold. From the ancient Pharaohs of Egypt to modern-day shoppers picking up gold bars alongside their bulk-buy toilet paper at Costco, the allure of gold is timeless. But recently, that “gold fever” has reached a whole new temperature.

### The Golden Year: 2025

If you felt like gold was everywhere in 2025, you weren't imagining it. Throughout the 2025 calendar year, gold staged a truly spectacular rally, delivering returns of approximately 64%. This is its biggest annual gain in over four decades. By the end of the year, it had shattered multiple all-time highs, eventually crossing the psychological milestone of US\$5,000 per ounce in early 2026.

So, what fuelled this uplift? It was a perfect storm of conditions:

- **Geopolitical turbulence:** Significant trade tensions and “Liberation Day” tariffs created a global “flight to safety” as investors sought the perceived safety of gold.
- **Central bank appetite:** Major players, particularly in China and India, continued to be massive net buyers of gold, treating it as a strategic reserve.
- **Monetary policy:** Shifts in interest rates and concerns over currency stability made the non-yielding metal look increasingly attractive compared to traditional cash or bonds.

### Insurance or Investment?

When an asset climbs 60% in a year, it's tempting to treat it like a winning Lotto ticket. However, this needs to be put in perspective.

While gold significantly outperformed the S&P 500 in 2025, history shows that over the long term, a diversified mix of the world's most successful companies typically provides the engine for real growth in wealth. Gold doesn't pay dividends, innovate, or generate profits; it simply sits there looking pretty and (hopefully) holding its value when the rest of the world feels like it might be getting worse instead of better.

Most investments are valued by their “engine” — the current and future profits they generate for you. Because there are no profits to anchor gold's value, a 60% rally can vanish just as quickly as it appeared, should the market's mood shift. This is why most investment professionals view gold as a portfolio's insurance policy rather than a reliable engine for long-term growth.

### What Next?

To help you navigate these opportunities on your way to financial freedom (perhaps investing with your golden years in mind - retirement), book your complimentary initial consultation with our team today:

**0508 BECOME (0508 232 663)**

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

Joseph Darby  
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# Investment Returns For Periods Ended 31 December 2025

## 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         | 0.14      | 0.44       | 1.64    | 2.34     | 2.25      | 1.60       |
|                                      | Conservative | -0.12     | 0.46       | 4.41    | 4.37     | 1.97      | -          |
|                                      | Moderate     | 0.04      | 1.05       | 7.42    | 6.84     | 3.43      | -          |
|                                      | Balanced     | 0.16      | 1.60       | 10.39   | 9.10     | 4.93      | 5.54       |
|                                      | Growth       | 0.26      | 2.19       | 13.36   | 11.16    | 6.56      | 7.06       |
|                                      | High Growth  | 0.39      | 2.60       | 15.98   | 13.29    | 7.79      | 8.24       |
|                                      | Shares       | 0.51      | 2.98       | 17.67   | 13.83    | 8.20      | 9.12       |
| PIR                                  | Fund         | 1 Month % | 3 Months % | FYTD* % | 1 Year % | 5 Years % | 10 Years % |
| 17.5% prescribed investor rate (PIR) | Cash         | 0.15      | 0.51       | 1.88    | 2.68     | 2.57      | 1.86       |
|                                      | Conservative | -0.11     | 0.54       | 4.92    | 4.97     | 2.19      | -          |
|                                      | Moderate     | 0.03      | 1.07       | 7.70    | 7.20     | 3.59      | -          |
|                                      | Balanced     | 0.18      | 1.72       | 10.87   | 9.68     | 5.17      | 5.94       |
|                                      | Growth       | 0.28      | 2.24       | 13.74   | 11.62    | 6.88      | 7.49       |
|                                      | High Growth  | 0.41      | 2.71       | 16.33   | 13.83    | 8.11      | 8.63       |
|                                      | Shares       | 0.54      | 3.01       | 17.92   | 14.16    | 8.42      | 9.47       |
| PIR                                  | Fund         | 1 Month % | 3 Months % | FYTD* % | 1 Year % | 5 Years % | 10 Years % |
| 10.5% prescribed investor rate (PIR) | Cash         | 0.17      | 0.56       | 2.04    | 2.88     | 2.79      | 1.98       |
|                                      | Conservative | -0.12     | 0.53       | 5.14    | 5.29     | 2.25      | -          |
|                                      | Moderate     | 0.03      | 1.15       | 8.02    | 7.60     | 3.76      | -          |
|                                      | Balanced     | 0.17      | 1.75       | 11.01   | 9.87     | 5.26      | 6.13       |
|                                      | Growth       | 0.29      | 2.34       | 13.72   | 11.68    | 6.96      | 7.70       |
|                                      | High Growth  | 0.40      | 2.70       | 16.43   | 13.83    | 8.20      | 8.84       |
|                                      | Shares       | 0.54      | 3.07       | 18.11   | 14.30    | 8.58      | 9.76       |

### 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 2025

# Investment Returns For Periods Ended 31 December 2025

## 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         | 0.14      | 0.45       | 1.67    | 2.37     | 2.26      | 1.68       |
|                                      | Conservative | -0.02     | 0.65       | 5.26    | 5.35     | 2.34      | 3.11       |
|                                      | Moderate     | 0.00      | 1.11       | 7.75    | 7.03     | 3.49      | 4.16       |
|                                      | Balanced     | 0.14      | 1.74       | 10.95   | 9.43     | 4.87      | 5.58       |
|                                      | Growth       | 0.24      | 2.22       | 13.42   | 10.86    | 6.37      | 6.96       |
|                                      | High Growth  | 0.36      | 2.71       | 16.13   | 12.88    | 7.67      | 8.20       |
|                                      | Shares       | 0.52      | 2.98       | 17.74   | 13.95    | 8.31      | 9.17       |
| PIR                                  | Fund         | 1 Month % | 3 Months % | FYTD* % | 1 Year % | 5 Years % | 10 Years % |
| 17.5% prescribed investor rate (PIR) | Cash         | 0.16      | 0.52       | 1.89    | 2.72     | 2.59      | -          |
|                                      | Conservative | -0.04     | 0.65       | 5.52    | 5.77     | 2.38      | 3.37       |
|                                      | Moderate     | -0.01     | 1.13       | 8.00    | 7.45     | 3.54      | 4.37       |
|                                      | Balanced     | 0.15      | 1.75       | 11.24   | 9.89     | 5.01      | 5.88       |
|                                      | Growth       | 0.26      | 2.28       | 13.78   | 11.29    | 6.54      | 7.30       |
|                                      | High Growth  | 0.38      | 2.78       | 16.39   | 13.24    | 7.81      | 8.51       |
|                                      | Shares       | 0.55      | 3.07       | 18.25   | 14.53    | 8.58      | 9.54       |
| PIR                                  | Fund         | 1 Month % | 3 Months % | FYTD* % | 1 Year % | 5 Years % | 10 Years % |
| 10.5% prescribed investor rate (PIR) | Cash         | 0.16      | 0.55       | 2.05    | 2.92     | 2.79      | -          |
|                                      | Conservative | -0.04     | 0.70       | 5.85    | 6.13     | 2.80      | -          |
|                                      | Moderate     | -0.01     | 1.20       | 8.19    | 7.69     | 3.81      | 4.68       |
|                                      | Balanced     | 0.15      | 1.72       | 11.23   | 10.00    | 5.05      | 5.98       |
|                                      | Growth       | 0.27      | 2.29       | 14.09   | 11.77    | 6.76      | 7.56       |
|                                      | High Growth  | 0.41      | 2.83       | 16.70   | 13.62    | 8.15      | 8.83       |
|                                      | Shares       | 0.57      | 3.09       | 18.10   | 14.41    | 8.74      | 9.76       |

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# Investment Returns For Periods Ended 31 December 2025

## Defence Force Superannuation Scheme

| PIR                                  | Fund         | 1 Month % | 3 Months % | FYTD* % | 1 Year % | 5 Years % | 10 Years % |
|--------------------------------------|--------------|-----------|------------|---------|----------|-----------|------------|
| 28% prescribed investor rate (PIR)   | Cash         | 0.13      | 0.45       | 1.67    | 2.39     | 2.29      | 1.69       |
|                                      | Conservative | -0.04     | 0.62       | 5.18    | 5.30     | 2.31      | 3.11       |
|                                      | Moderate     | -0.01     | 1.02       | 7.58    | 6.87     | 3.47      | 4.20       |
|                                      | Balanced     | 0.14      | 1.72       | 10.94   | 9.42     | 4.92      | 5.67       |
|                                      | Growth       | 0.23      | 2.19       | 13.40   | 10.82    | 6.38      | 7.06       |
|                                      | High Growth  | 0.36      | 2.68       | 16.06   | 12.84    | 7.64      | 8.26       |
|                                      | Shares       | 0.52      | 2.97       | 17.67   | 13.87    | 8.21      | 9.18       |
| PIR                                  | Fund         | 1 Month % | 3 Months % | FYTD* % | 1 Year % | 5 Years % | 10 Years % |
| 17.5% prescribed investor rate (PIR) | Cash         | 0.15      | 0.51       | 1.77    | 2.57     | 2.52      | 1.89       |
|                                      | Conservative | -0.04     | 0.74       | 5.69    | 5.93     | 2.49      | -          |
|                                      | Moderate     | -0.01     | 1.13       | 8.02    | 7.50     | 3.65      | 4.56       |
|                                      | Balanced     | 0.14      | 1.69       | 11.08   | 9.66     | 5.09      | 6.00       |
|                                      | Growth       | 0.26      | 2.27       | 13.89   | 11.39    | 6.61      | 7.41       |
|                                      | High Growth  | 0.39      | 2.84       | 16.51   | 13.34    | 7.96      | 8.70       |
|                                      | Shares       | 0.55      | 3.02       | 18.02   | 14.37    | 8.65      | 9.76       |
| PIR                                  | Fund         | 1 Month % | 3 Months % | FYTD* % | 1 Year % | 5 Years % | 10 Years % |
| 10.5% prescribed investor rate (PIR) | Cash         | 0.16      | 0.55       | 2.07    | 2.94     | -         | -          |
|                                      | Conservative | -0.04     | 0.65       | 5.73    | 5.99     | 2.47      | -          |
|                                      | Moderate     | -0.01     | 1.10       | 8.14    | 7.64     | 3.73      | -          |
|                                      | Balanced     | 0.14      | 1.73       | 11.42   | 10.17    | 5.11      | 6.08       |
|                                      | Growth       | 0.26      | 2.30       | 13.95   | 11.57    | 6.73      | -          |
|                                      | High Growth  | 0.41      | 2.85       | 16.62   | 13.55    | 8.05      | -          |
|                                      | Shares       | 0.57      | 3.11       | 18.20   | 14.56    | 8.68      | 9.88       |

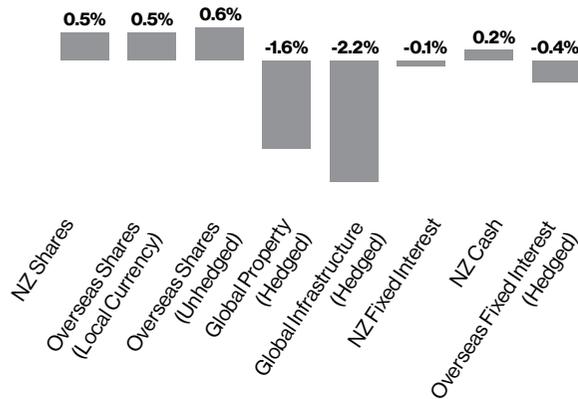
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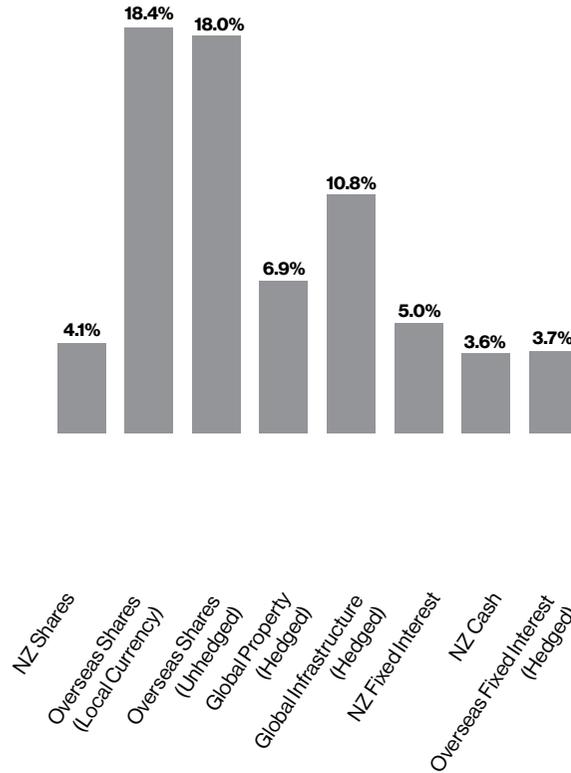
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# Investment Returns For Periods Ended 31 December 2025

## 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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