



TE OPE KĀTUA O AOTEAROA  
**DEFENCE FORCE**

New Zealand Defence Force  
Savings Schemes

# Monthly report

For the period ended 29 February 2024

## Market performance summary

### – February in a snapshot

- In February, the S&P 500 reached a new all-time high, driven by strong economic data and positive earnings reports. Emerging market shares also outperformed developed markets during this period.
- February delivered positive investment returns for all investment options in the NZDF Savings Schemes.
- Importance of financial advice should not be underestimated. 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 an independently appointed Become Wealth team of advisers by calling **0508 BECOME (0508 232 663)** or emailing **hello@become.nz**.
- If you are eligible for a Government contribution, please make sure you are on track to contributing \$1,042 into your KiwiSaver account before 30 June 2024, to ensure you receive the maximum amount. More information can be found on the website at **www.nzdfsavings.mil.nz**.



HEI MANA MŌ AOTEAROA  
A FORCE FOR NEW ZEALAND

FOR MORE INFORMATION CALL **0800 333 787** OR VISIT **WWW.NZDFSAVINGS.MIL.NZ**

# Monthly Commentary Ended 29 February 2024

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**February was a remarkable month, with strong economic data and positive earnings reports leading to the Standard and Poor's 500 (a stock market index that tracks the performance of 500 large-cap U.S. companies) reaching a new all-time high.**

At a regional level emerging market shares performed better than developed markets. This was due to supportive measures taken by the Chinese government, such as reducing the 5-year prime loan rate. However, developed markets such as the UK and Eurozone didn't perform as well. On the other hand, Japan's Nikkei 225 index reached a new all-time high for the first time in over 30 years. In fixed income markets, bond prices generally fell as yields rose during the month.

In terms of specific market indices, the MSCI World (a measure for developed market equities) returned 4.6% in local currency, while the Bloomberg Global Aggregate Bond Index (NZD hedged) returned -0.7%. US and Japanese equities continued to show strength, with the MSCI US and Japan up 5.3% and 5.5% respectively in local currency.

In currency markets, the USD gained value against most major currencies as market participants adjusted their expectations for interest rate cuts.



# Monthly Commentary Ended 29 February 2024



## Global

Bitcoin surpassed \$60,000 (USD) for the first time since November 2021 and has increased by more than 40% this year, following the successful launch of US bitcoin exchange-traded funds (ETFs).

## Global

Corporate earnings in the developed world during the fourth quarter of 2023 were strong, with the US and Japan leading the way. Of the 90% that have reported, nearly three-quarters of the S&P 500 companies that reported their earnings exceeded analysts' expectations.

## New Zealand

The Reserve Bank of New Zealand (RBNZ) maintained the Official Cash Rate (OCR) at 5.5% in February and expressed limited tolerance for inflation exceeding their target range of 1 to 3%. The RBNZ expects the OCR to remain at 5.5% until at least the second quarter of 2025.



# Become Wealth Monthly Commentary Ended 29 February 2024

## Your Lotto Win

Everyone wants to win the lottery.

Be the overnight success.

Have the instant win.

This overlooks the less lucky but far more reliable road to wealth.

### Compounding

You put away a small amount of money regularly.

It doesn't feel like much at first.

But, over time, something that seems incredible happens.

Your investment doesn't just grow; it starts to grow exponentially. That is, it starts to grow more and more rapidly. Levels of growth will start to occur which are seemingly out of all proportion to the original investment. Compounding is nearly like a magical force which starts making a momentum of its own.

The problem is that in our fast-paced world, we're conditioned to crave instant results.

We like lotto winners, overnight success, an instant fix.

So, we forget the value of patience and persistence.

We forget to that we can just trust a tried and tested process.

Here's how:

1. Start investing early to let compounding do its work.
2. If you can't start early, start now.
3. Avoid looking too closely at the results, especially to start with.
4. Remember compounding won't happen in a straight line, there will be bumps. Stick to your process.
5. Step back, let the outcomes take care of themselves.
6. Enjoy it.

### What next?

It would be our pleasure to assist you explore the best strategy for your investments within the NZDF Savings Schemes. Become Wealth is also able to advise on other investments you have, including investment properties. The power of compounding interest is not just limited to bank deposits. It also applies to other asset classes (investments) like shares or investment properties. Get in touch at:

**0508 BECOME (0508 232 663)**  
[hello@become.nz](mailto:hello@become.nz)

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A Disclosure Statement is available on request and free of charge

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# Investment Returns For Periods Ended 29 February 2024

## New Zealand Defence Force FlexiSaver Scheme

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.30	0.95	3.55	3.85	1.35
	Conservative	0.45	2.31	3.49	4.32	1.81
	Moderate	1.03	3.51	4.98	5.72	2.78
	Balanced	1.62	4.70	6.65	7.37	4.05
	Growth	2.40	6.09	8.84	9.47	5.33
	High Growth	2.87	7.18	10.17	10.72	6.28
	Shares	3.46	8.38	11.76	12.46	7.10
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.34	1.06	4.00	4.35	1.52
	Conservative	0.44	2.45	3.82	4.80	1.97
	Moderate	1.02	3.60	5.29	6.15	2.98
	Balanced	1.63	4.93	7.15	7.94	4.26
	Growth	2.38	6.25	9.12	9.82	5.70
	High Growth	2.86	7.21	10.37	11.03	6.66
	Shares	3.41	8.34	12.03	12.88	7.44
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.37	1.17	4.37	4.75	1.68
	Conservative	0.42	2.51	3.87	4.92	2.03
	Moderate	1.02	3.70	5.52	6.47	3.15
	Balanced	1.63	4.94	7.24	8.12	4.43
	Growth	2.42	6.37	9.52	10.29	5.85
	High Growth	2.91	7.27	10.80	11.48	6.89
	Shares	3.38	8.38	12.39	13.19	7.68

### 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 2023

# Investment Returns For Periods Ended 29 February 2024

## New Zealand Defence Force KiwiSaver Scheme

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.31	0.96	3.53	3.83	1.36
	Conservative	0.46	2.38	3.58	4.43	1.91
	Moderate	0.98	3.58	5.03	5.77	2.81
	Balanced	1.61	4.92	6.78	7.44	3.80
	Growth	2.30	6.23	8.85	9.46	5.04
	High Growth	2.80	7.28	10.31	10.78	6.06
	Shares	3.43	8.32	11.88	12.58	7.16
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.35	1.09	4.05	4.40	1.56
	Conservative	0.44	2.49	3.83	4.77	2.06
	Moderate	0.97	3.68	5.24	6.09	2.83
	Balanced	1.61	5.02	6.96	7.74	4.02
	Growth	2.29	6.33	9.20	9.84	5.29
	High Growth	2.78	7.29	10.43	10.98	6.34
	Shares	3.51	8.44	12.29	13.02	7.49
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.39	1.18	4.35	4.71	1.68
	Conservative	0.46	2.60	3.99	5.04	2.44
	Moderate	1.00	3.80	5.60	6.55	3.17
	Balanced	1.60	5.10	7.21	8.05	4.10
	Growth	2.30	6.35	9.07	9.81	5.48
	High Growth	2.72	7.26	10.67	11.27	6.67
	Shares	3.43	8.42	12.36	13.15	7.72

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# Investment Returns For Periods Ended 29 February 2024

## Defence Force Superannuation Scheme

PIR	Fund	1 Month %	3 Months %	FYTD <sup>*</sup> %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.30	0.93	3.54	3.85	1.40
	Conservative	0.46	2.37	3.58	4.44	1.93
	Moderate	0.98	3.57	5.05	5.80	2.80
	Balanced	1.62	4.94	6.83	7.52	3.90
	Growth	2.28	6.22	8.82	9.45	5.12
	High Growth	2.78	7.31	10.33	10.86	6.10
	Shares	3.43	8.33	11.62	12.32	7.16
PIR	Fund	1 Month %	3 Months %	FYTD <sup>*</sup> %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.35	1.07	4.03	4.38	1.61
	Conservative	0.49	2.51	3.86	4.84	2.08
	Moderate	0.97	3.59	5.28	6.12	3.06
	Balanced	1.59	5.02	7.09	7.87	4.22
	Growth	2.28	6.28	9.18	9.87	5.44
	High Growth	2.81	7.39	10.73	11.30	6.52
	Shares	3.45	8.39	12.23	13.01	7.68
PIR	Fund	1 Month %	3 Months %	FYTD <sup>*</sup> %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.37	1.16	4.41	4.79	-
	Conservative	0.44	2.59	4.05	5.14	-
	Moderate	0.96	3.73	5.52	6.48	-
	Balanced	1.59	5.07	7.16	8.03	4.14
	Growth	2.28	6.32	9.30	10.04	5.56
	High Growth	2.78	7.31	10.74	11.33	6.62
	Shares	3.44	8.33	12.30	13.13	7.77

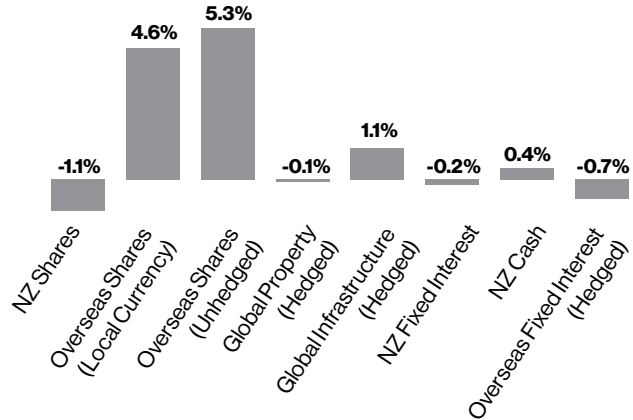
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- '-' indicates that investment option was not operating for the full period or did not have funds invested for the full period.

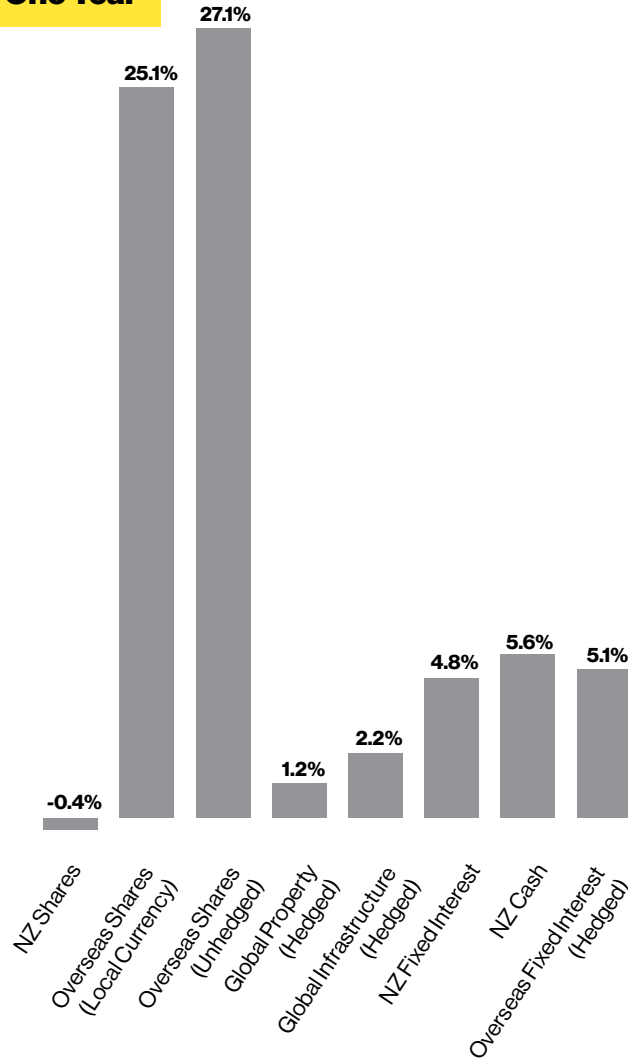
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# Investment Returns For Periods Ended 29 February 2024

## 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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