



TE OPE KĀTUA O AOTEAROA
DEFENCE FORCE

New Zealand Defence Force
Savings Schemes

Monthly report

For the period ended 31 March 2024

Market performance summary

– March in a snapshot

- Investors were rewarded in March as stock markets rose despite stubbornly high US inflation and a slowdown in consumer spending. Japanese stocks performed well, and developed markets outperformed emerging markets.
- March delivered positive investment returns for all members in the NZDF Savings Schemes.
- New scheme financial year! Why not reach out to the financial advice team? 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 check that you are on track to contributing \$1,042 into your KiwiSaver account before 30 June 2024, to ensure you receive the maximum amount (maximum of \$521 p.a). More information can be found on the website at **www.nzdfsavings.mil.nz**.
- Please ensure your details and communication preferences are up to date, as you will be sent your Annual Statement for the Scheme you are in soon.



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 31 March 2024

In March, investors who remained optimistic were rewarded as stock markets continued to rise despite an increase in US inflation for the second consecutive month and a slowdown in consumer spending.

The US Federal Reserve (Fed) supported US equities by reaffirming their projection to cut interest rates three times in 2024. Fed Chair Jerome Powell expressed concern about the risks of delaying rate cuts and indicated a preference for lowering rates instead of raising them, despite the recent increase in inflation. Japanese stocks also performed well, increasing by 4.2% in local currency terms, as Japan's era of negative interest rates and yield curve control policies came to an end.

In terms of global markets, developed markets performed better than emerging markets in March. The MSCI World Index returned 3.4%, while the MSCI Emerging Markets Index increased by 3.0% (both in local currency terms). Unlike previous months, value stocks outperformed growth stocks as the overall performance of equities expanded beyond just technology stocks. Value stocks increased by 6.6%, while growth stocks rose by 3.7% (both in unhedged NZD).

New Zealand equities bounced back after a slow start to the year, with the S&P/NZX 50 up 3.3% in March. This came despite news of a recession, as well as ANZ's business confidence measure showing a drop in confidence for February. Across the Tasman, the S&P/ASX 200 was also up 3.3% (in AUD), continuing the strong performance seen over the last year.

NZ Bonds performed strongly over March as growing expectations of rate cuts put downward pressure on bond yields. Reserve Bank of New Zealand Governor, Adrian Orr, stated that rate cuts were getting closer, though he felt they were not yet on top of inflation. NZ 10-year government bond yields fell 18 basis points to 4.59% by the end of March, and the Bloomberg NZ Bond Composite 0+ Yr Index had increased by 1.1%.



Monthly Commentary Ended 31 March 2024



United States

Former US President Donald Trump moved closer to a potential rematch with President Biden in the 2024 election by securing the Republican nomination. This followed a Supreme Court ruling that states cannot disqualify candidates from running, overturning Colorado's previous disqualification of the former President due to his involvement in the January 6th Capitol attacks.

Japan

After eight years, the Bank of Japan (BOJ) abandoned its negative interest rates policy and raised rates from -0.1% to 0.1%, signalling a departure from its previous ultra-loose monetary stance. This represents a significant shift in the BOJ's approach to combating deflation. Japan remains the world's third largest economy although India is catching up fast. Reflecting the size of its economy, changes in Japanese monetary policy can impact on international markets.

New Zealand

New Zealand experienced its second "technical" recession in 18 months, as economic data for Q4 2023 released in March showed a 0.1% contraction in GDP.

Become Wealth Monthly Commentary Ended 31 March 2024

Rich Dad Poor Dad

The book, **Rich Dad Poor Dad**, rose to become the bestselling personal finance book of all time.

No other personal finance book reached the cult status of book **Rich Dad Poor Dad**.

It impacted the finance world by introducing revolutionary ideas and challenging the status quo. It changed the way most people think about money and how to accumulate wealth.

Before authoring the book Robert Kiyosaki piloted a US Marine Corps helicopter gunship during the Vietnam War. He credited this experience with instilling in him tough business sense, "As my gunner always said, there is no second place. One of us will not go home today," he said.

At its heart, the book is about financial education. Kiyosaki argues that school education fails in this regard and needs to effectively teach financial literacy, including the basics of financial management and wealth building.

In the book, Kiyosaki explains key concepts of financial management by comparing two different financial philosophies of his "two dads" — the rich dad and the poor dad.

Poor Dad

Kiyosaki's poor dad was a highly educated man who believed in hard work, job security, and formal university education. Poor dad attached great stigma to failure and was therefore afraid of making mistakes.

Poor dad taught Kiyosaki that when it came to money, risk was something that should be avoided and to always play it safe.

Rich Dad

While poor dad stressed academic education, rich dad always stressed financial literacy. He had an opposing view on financial management than his poor dad.

Rich dad taught Kiyosaki that failing was simply part of the process and that he should learn from his mistakes and move on.

The book's most notable and revolutionary concept was Kiyosaki's explanation of assets versus liabilities. He explained that assets bring in money while liabilities drain money. Many people think of homes or cars as assets, but from Kiyosaki's perspective they're liabilities. Investments (including the NZDF Savings Schemes), businesses, shares, and rental properties that generate income are the real assets.

Overall, the book **Rich Dad Poor Dad** is about getting a practical financial education, making wise financial decisions, and acquiring wealth to create financial freedom.

What next?

It would be our pleasure to assist you explore the best strategy for your investments within the NZDF Savings Schemes. Should you wish, **Become Wealth** is also able to advise on other investments, including investment property. Get in touch at:

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Joseph Darby
Chief Executive
Become Wealth



A Disclosure Statement is available on request and free of charge

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Investment Returns For Periods Ended 31 March 2024

New Zealand Defence Force FlexiSaver Scheme

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.31	0.95	3.87	3.87	1.39
	Conservative	1.13	1.60	4.66	4.66	1.88
	Moderate	1.80	2.99	6.87	6.87	2.97
	Balanced	2.44	4.43	9.25	9.25	4.35
	Growth	3.08	6.17	12.19	12.19	5.77
	High Growth	3.54	7.46	14.08	14.08	6.79
	Shares	3.94	9.18	16.17	16.17	7.65
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.34	1.06	4.35	4.35	1.57
	Conservative	1.16	1.57	5.03	5.03	2.02
	Moderate	1.86	2.98	7.26	7.26	3.17
	Balanced	2.49	4.43	9.82	9.82	4.55
	Growth	3.11	6.17	12.51	12.51	6.14
	High Growth	3.56	7.37	14.29	14.29	7.15
	Shares	3.97	9.03	16.48	16.48	7.98
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.38	1.18	4.77	4.77	1.73
	Conservative	1.21	1.57	5.13	5.13	2.07
	Moderate	1.85	2.94	7.48	7.48	3.33
	Balanced	2.51	4.43	9.93	9.93	4.71
	Growth	3.10	6.19	12.92	12.92	6.26
	High Growth	3.53	7.33	14.71	14.71	7.37
	Shares	3.98	9.01	16.86	16.86	8.21

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 31 March 2024

New Zealand Defence Force KiwiSaver Scheme

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.30	0.95	3.83	3.83	1.40
	Conservative	1.12	1.61	4.75	4.75	1.97
	Moderate	1.79	2.92	6.91	6.91	3.00
	Balanced	2.47	4.38	9.42	9.42	4.11
	Growth	3.06	6.01	12.18	12.18	5.47
	High Growth	3.53	7.32	14.20	14.20	6.56
	Shares	3.97	9.17	16.32	16.32	7.72
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.34	1.08	4.40	4.40	1.60
	Conservative	1.16	1.59	5.03	5.03	2.11
	Moderate	1.83	2.90	7.17	7.17	3.01
	Balanced	2.48	4.31	9.61	9.61	4.30
	Growth	3.04	5.88	12.51	12.51	5.70
	High Growth	3.46	7.13	14.25	14.25	6.81
	Shares	3.87	9.05	16.64	16.64	8.02
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.37	1.18	4.73	4.73	1.73
	Conservative	1.19	1.62	5.23	5.23	2.48
	Moderate	1.83	2.89	7.53	7.53	3.34
	Balanced	2.47	4.24	9.85	9.85	4.37
	Growth	3.04	5.84	12.38	12.38	5.88
	High Growth	3.47	7.00	14.50	14.50	7.13
	Shares	3.93	9.01	16.77	16.77	8.24

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Investment Returns For Periods Ended 31 March 2024

Defence Force Superannuation Scheme

PIR	Fund	1 Month %	3 Months %	FYTD [*] %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.29	0.93	3.84	3.84	1.44
	Conservative	1.09	1.60	4.71	4.71	1.99
	Moderate	1.79	2.90	6.93	6.93	2.99
	Balanced	2.47	4.40	9.47	9.47	4.20
	Growth	3.08	6.00	12.17	12.17	5.55
	High Growth	3.51	7.28	14.20	14.20	6.60
	Shares	3.92	9.10	16.00	16.00	7.70
PIR	Fund	1 Month %	3 Months %	FYTD [*] %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.33	1.07	4.38	4.38	1.65
	Conservative	1.17	1.62	5.07	5.07	2.12
	Moderate	1.81	2.79	7.18	7.18	3.23
	Balanced	2.46	4.27	9.72	9.72	4.50
	Growth	3.03	5.86	12.49	12.49	5.84
	High Growth	3.49	7.24	14.59	14.59	7.00
	Shares	3.94	9.09	16.66	16.66	8.22
PIR	Fund	1 Month %	3 Months %	FYTD [*] %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.36	1.15	4.78	4.78	-
	Conservative	1.19	1.59	5.28	5.28	-
	Moderate	1.81	2.82	7.43	7.43	-
	Balanced	2.48	4.21	9.82	9.82	4.41
	Growth	3.00	5.78	12.58	12.58	5.95
	High Growth	3.37	6.98	14.47	14.47	7.06
	Shares	3.91	8.98	16.70	16.70	8.29

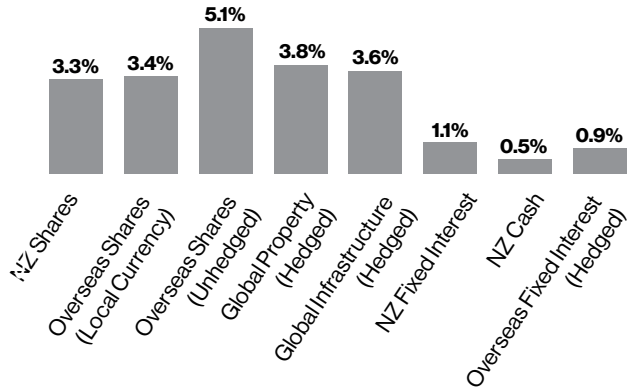
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- '-' indicates that investment option was not operating for the full period or did not have funds invested for the full period.

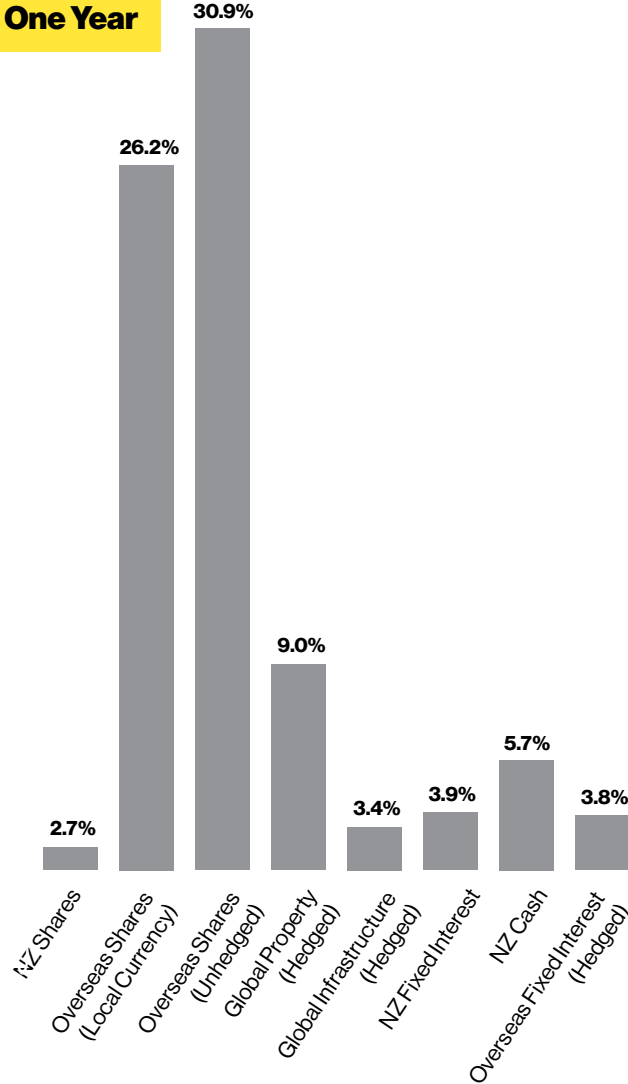
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Investment Returns For Periods Ended 31 March 2024

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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