TE OPE KĀTUA O AOTEAROA
DEFENCE FORCE

New Zealand Defence Force
Savings Schemes

Monthly report

For the period ended 31 March 2026

Market performance summary
– March in a snapshot

- In March, global and New Zealand markets fell sharply as conflict in the Middle East intensified and oil prices jumped.
- All NZDF Savings Scheme's investment options delivered negative returns, except for the Cash investment option.
- If you are considering changing your investment options, pausing contributions or making a withdrawal, it is very important that you seek financial advice. A fund withdrawal in times of volatility may not be the best move for many wanting to withdraw funds. Please contact Become Wealth team on **0508 BECOME (0508 232 663)** or email **hello@become.nz**.
- If you are eligible for a Government contribution, please check that you are on track to contributing $1,042.86 into your KiwiSaver account before 30 June 2026, to ensure you receive the maximum amount (maximum of $260.72 p.a.). More information can be found on the website at **www.nzdfsavings.mil.nz**.



Monthly Commentary Ended 31 March 2026

Global and New Zealand markets fell sharply in March as conflict in the Middle East intensified and oil prices jumped. New Zealand's share market fell -5.8% for the month, roughly in line with falls in overseas shares (MSCI World, local currency, –5.7%).

Energy was the strongest sector while most other sectors fell. The international benchmark price for oil (Brent), used worldwide to set fuel and commodity prices, surged about 63.3% in March, finishing near US$118 per barrel, causing the broader commodity index to rise strongly. Higher fuel and transport costs created a near-term inflation risk that could push up prices for households and businesses.

New Zealand entered 2026 with economic recovery gaining momentum, but the Middle East conflict risks derailing this. Prior to the conflict, consumer confidence data showed NZ consumers becoming more optimistic, but it has since slipped back into pessimistic territory in response to higher fuel costs and concerns this may drive inflation higher.

On interest rates and currencies, the Reserve Bank of New Zealand held the Official Cash Rate at 2.25% at the early April meeting and signalled concern about higher fuel-driven inflation. Other major central bank rate decisions largely stayed on hold as well but adopted a more hawkish tone (a policy stance that aligns with tighter monetary measures to suppress inflation, even if it risks slowing economic growth). Cash remained one of the few safe havens as these fears carried through to markets. The New Zealand dollar weakened against all major currencies, down between -4.9% - 2% against the USD, JPY, GBP and EUR in March.

Although the economic backdrop has shifted since the start of the year, with slower growth and higher inflation, growth in most economies is still expected to remain around trend. However, higher inflation is likely to limit the scope for further monetary policy support. Artificial Intelligence driven investment is expected to keep supporting growth, especially in the US and some emerging markets. Share markets are still supported by strong fundamentals, AI optimism, and fiscal stimulus, but valuations are high and Middle East conflict risks remain elevated.



Monthly Commentary Ended 31 March 2026



Middle East

Geopolitical escalation in the Middle East, including attacks affecting shipping routes and oil supplies, which raised oil prices sharply and increased market volatility.

New Zealand

The RBNZ held the Official Cash Rate at 2.25%, noting higher fuel prices increase inflationary pressure and will be monitored closely.

Become Wealth Monthly Commentary Ended 31 March 2026

Turbulence

If you've ever been on a flight when the seatbelt sign flicks on and the cabin starts to rattle, you might know the feeling. Your grip tightens, your stomach drops, and for a moment the only thing you can think about is getting back on the ground. But the pilot doesn't land the plane because of rough air. The aircraft was built for it. Your seatbelt was fastened before it started. And the passengers most likely to get hurt are the ones who unbuckle and start moving around.

March was a month of turbulence.

What happened

In early March, the United States and Israel launched military strikes against Iran over its nuclear programme. Iran responded by closing the Strait of Hormuz, through which roughly one fifth of the world's oil flows. Oil prices surged past US$100 a barrel for the first time since 2022. Energy costs rippled through everything else, reigniting fears of persistent inflation and pushing central banks further from the interest rate cuts many investors had been counting on.

Global share markets fell roughly 7% for the month. The main US index had its worst quarter since 2022. Even gold, the traditional safe haven, had its worst month since 2008. For a few weeks, it felt as though there was nowhere to hide.

The instinct

When headlines turn frightening, the natural response is to do something. Sell. Switch to cash. Wait until things calm down. It feels prudent, even responsible.

The problem is the maths. Markets tend to recover sharply, and the best days often arrive within days of the worst. Miss just a handful of those recovery days and long-term returns can be cut in half. Nobody rings a bell when the turbulence is about to end.

The lesson

Months like March are uncomfortable. They are also, historically, quite normal. Since 1980, the global share market has experienced a drop of 10% or more roughly once every 18 months on average, yet it has still delivered strong long-term returns for those who stayed the course.

The passengers who arrive safely are not the ones with the best forecasts. They are the ones who kept their seatbelts on.

What Next?

We are here to help ensure your NZDF scheme investments are working as hard as you do. Get in touch to make the most of this service:

0508 BECOME (0508 232 663)
hello@become.nz

Joseph Darby
Chief Executive
Become Wealth



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Investment Returns For Periods Ended 31 March 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	0.13	0.38	2.03	2.03	2.33	1.60
	Conservative	-1.79	-1.09	3.27	3.27	1.83	2.58
	Moderate	-2.44	-1.56	5.75	5.75	2.98	3.75
	Balanced	-3.14	-2.11	8.06	8.06	4.12	5.16
	Growth	-3.87	-2.69	10.31	10.31	5.33	6.63
	High Growth	-4.26	-3.06	12.44	12.44	6.29	7.77
	Shares	-4.81	-3.98	12.99	12.99	6.43	8.55

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
17.5% prescribed investor rate (PIR)	Cash	0.15	0.43	2.32	2.32	2.65	1.86
	Conservative	-1.91	-1.12	3.75	3.75	2.07	2.86
	Moderate	-2.55	-1.53	6.05	6.05	3.17	4.01
	Balanced	-3.18	-2.12	8.52	8.52	4.37	5.53
	Growth	-3.86	-2.63	10.75	10.75	5.67	7.03
	High Growth	-4.26	-3.02	12.81	12.81	6.61	8.14
	Shares	-4.73	-3.87	13.36	13.36	6.66	8.90

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
10.5% prescribed investor rate (PIR)	Cash	0.16	0.48	2.53	2.53	2.89	1.98
	Conservative	-2.01	-1.16	3.93	3.93	2.15	3.02
	Moderate	-2.62	-1.58	6.32	6.32	3.35	4.20
	Balanced	-3.21	-2.09	8.69	8.69	4.47	5.71
	Growth	-3.82	-2.55	10.82	10.82	5.77	7.22
	High Growth	-4.21	-2.93	13.02	13.02	6.71	8.36
	Shares	-4.69	-3.80	13.63	13.63	6.84	9.17

Notes

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- 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 March 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	0.13	0.38	2.06	2.06	2.34	1.67
	Conservative	-2.01	-1.24	3.96	3.96	2.16	2.83
	Moderate	-2.80	-1.64	5.98	5.98	3.01	3.84
	Balanced	-3.59	-2.38	8.31	8.31	4.00	5.17
	Growth	-4.36	-3.05	9.96	9.96	5.07	6.48
	High Growth	-4.75	-3.46	12.11	12.11	6.08	7.66
	Shares	-4.81	-3.96	13.08	13.08	6.53	8.61

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
17.5% prescribed investor rate (PIR)	Cash	0.15	0.44	2.34	2.34	2.68	1.91
	Conservative	-2.13	-1.27	4.19	4.19	2.23	3.05
	Moderate	-2.92	-1.67	6.20	6.20	3.09	4.03
	Balanced	-3.63	-2.33	8.64	8.64	4.15	5.46
	Growth	-4.36	-3.04	10.32	10.32	5.23	6.82
	High Growth	-4.69	-3.31	12.55	12.55	6.25	7.98
	Shares	-4.74	-3.78	13.78	13.78	6.85	8.98

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
10.5% prescribed investor rate (PIR)	Cash	0.16	0.48	2.54	2.54	2.89	2.07
	Conservative	-2.23	-1.32	4.46	4.46	2.65	3.38
	Moderate	-2.97	-1.64	6.42	6.42	3.38	4.32
	Balanced	-3.65	-2.31	8.67	8.67	4.20	5.54
	Growth	-4.31	-2.91	10.77	10.77	5.49	7.06
	High Growth	-4.65	-3.28	12.88	12.88	6.60	8.32
	Shares	-4.71	-3.79	13.63	13.63	6.99	9.18

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Investment Returns For Periods Ended 31 March 2026

Defence Force Superannuation Scheme

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
28% prescribed investor rate (PIR)	Cash	0.12	0.38	2.06	2.06	2.37	1.69
	Conservative	-2.02	-1.25	3.86	3.86	2.13	2.83
	Moderate	-2.82	-1.66	5.79	5.79	3.00	3.86
	Balanced	-3.59	-2.38	8.29	8.29	4.04	5.23
	Growth	-4.36	-3.05	9.94	9.94	5.08	6.55
	High Growth	-4.75	-3.46	12.05	12.05	6.07	7.71
	Shares	-4.82	-3.96	13.00	13.00	6.45	8.59

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
17.5% prescribed investor rate (PIR)	Cash	0.15	0.45	2.23	2.23	2.61	1.88
	Conservative	-2.23	-1.34	4.27	4.27	2.32	3.10
	Moderate	-2.93	-1.67	6.22	6.22	3.20	4.19
	Balanced	-3.63	-2.39	8.43	8.43	4.21	5.54
	Growth	-4.32	-3.02	10.46	10.46	5.31	6.91
	High Growth	-4.69	-3.30	12.67	12.67	6.39	8.17
	Shares	-4.73	-3.85	13.47	13.47	6.87	9.16

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %	10 Years %
10.5% prescribed investor rate (PIR)	Cash	0.15	0.47	2.55	2.55	-	-
	Conservative	-2.22	-1.29	4.36	4.36	2.33	-
	Moderate	-2.98	-1.68	6.32	6.32	3.29	-
	Balanced	-3.66	-2.36	8.79	8.79	4.26	5.62
	Growth	-4.35	-2.95	10.58	10.58	5.44	-
	High Growth	-4.64	-3.28	12.79	12.79	6.49	8.35
	Shares	-4.74	-3.81	13.70	13.70	6.92	9.28

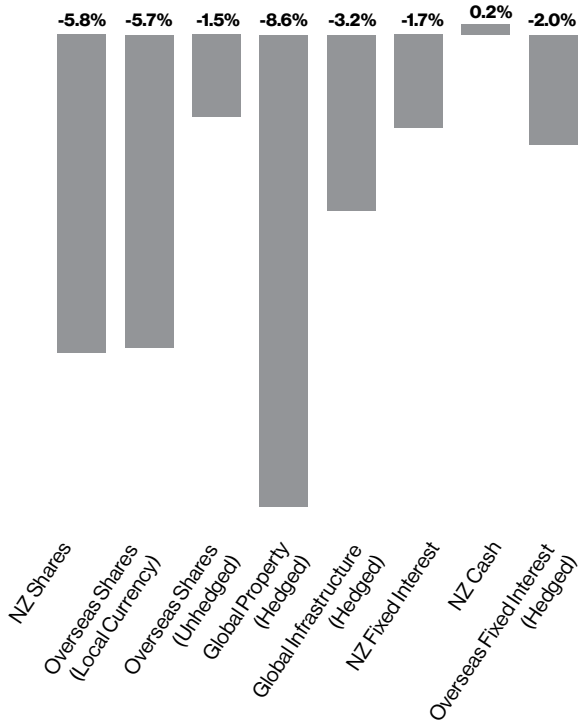
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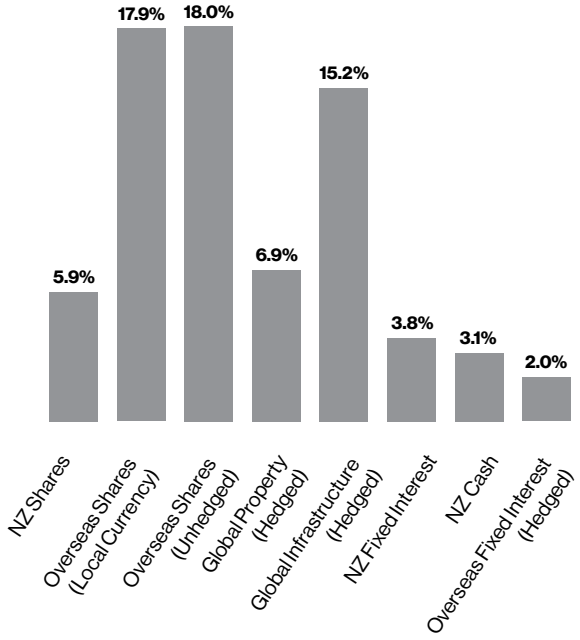
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Investment Returns For Periods Ended 31 March 2026

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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