

Monthly report

For the period ended 30 September 2025

Market performance summary

– September in a snapshot

- On 8 October 2025, the Reserve Bank of New Zealand lowered the Official Cash Rate by 0.5% to 2.5%, signalling possible further rate cuts amid a slowing economy and external pressures.
- The NZDF Savings Schemes delivered positive investment returns across all options during this period.
- The NZDF Savings Schemes celebrates its 10th Birthday in October 2025. We've been proud to support you and your whānau for a decade on your journey to financial security, whether saving for a home, retirement, or a brighter future.
- 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 the Become Wealth team on **0508 BECOME (0508 232 663)** or email hello@become.nz.



Monthly Commentary Ended 30 September 2025

In September, overseas shares rose by 3.3%, supported by several international central banks cutting interest rates and despite weak US labour market data.

New Zealand shares also increased by 3%. However, New Zealand's economy slowed significantly in the second quarter of 2025, with Gross Domestic Product (the total market value of all final goods and services produced within the country) shrinking by 0.9% quarter-on-quarter, which was worse than expected. The weak economic growth data for the second quarter of 2025 highlights the significant impact that global trade concerns have had on the New Zealand economy. The subdued growth figures suggest that international trade tensions and uncertainties have adversely affected economic activity, potentially through reduced exports, investment and overall demand.

The Reserve Bank of New Zealand (RBNZ) lowered its official cash rate (OCR) on 8 October 2025 by 50 basis points to 2.5%, indicating that additional rate cuts are likely ahead due to a slowing economy and external pressures. Economic growth in New Zealand is expected to improve in 2026 as interest rate reductions boost both business and consumer confidence. However, geopolitical uncertainties, such as ongoing conflicts in regions like Ukraine and the Middle East and tensions between major powers like the United States and China are likely to continue to result in increased market volatility.





Monthly Commentary Ended 30 September 2025



United States

We expect the international economy to remain resilient as we head into 2026. In the US, after a likely tariff related slowdown at the end of 2025, we anticipate economic activity will strengthen later in the year as fiscal policy becomes more supportive.

Global

The US Federal Reserve cut interest rates by 0.25%, in line with expectations. The Bank of Canada cut its policy rate to a 3-year low of 2.5%, while the Reserve Bank of Australia, the Bank of England, the European Central Bank and the Bank of Japan all left rates unchanged at their September meetings.

New Zealand

The RBNZ will likely increase the pace of interest rate cuts and continue to cut into 2026 as required to settle inflation.

Become Wealth Monthly Commentary Ended 30 September 2025

Three Common Mistakes Made by Investors

Many people begin by managing their own investments. But as their income and assets grow, their financial world becomes more complex and continuing to go it alone can prove costly. Here are three common mistakes that often reduce returns and increase stress.

1. Trying to Time the Market

It's tempting to sell out of the market when a downturn seems imminent. But accurately predicting when to buy and sell is nearly impossible. Missing even a few of the market's strongest days can drastically reduce your long-term wealth.

This includes those who might make changes to their KiwiSaver Scheme fund choice (for example, from high growth to conservative) for the same purpose. Or, even changing KiwiSaver Scheme contribution rates depending on the markets.

Rather than trying to guess the market's next move, study after study has proven investors are usually better off holding a globally diversified portfolio, then staying invested through the ups and downs. That approach helps capture returns whenever and wherever they occur, without relying on luck, emotion, or being smarter than all other market participants!

2. Focusing on the Headlines

Investors often get caught up in hype around certain stocks or sectors, especially those making constant news, like the so-called "Magnificent Seven" technology giants. History shows, however, that many companies stop outperforming once they become market darlings. Concentrating too heavily in a few popular stocks can leave your investment portfolio exposed if trends change.

A more resilient approach is to spread investments across a broad range of companies, industries, and regions through managed investment funds. Diversification helps manage risk and increases your chances of owning tomorrow's market leaders — whoever they turn out to be.

3. Chasing Past Performance

It's easy to assume that yesterday's best-performing funds will continue to shine. Unfortunately, that's rarely the case. International research shows that often top-ranked stocks or funds fail to stay at the top over the following five years. Past performance alone is not a reliable predictor of future success.

What Next?

An adviser can design a research-backed investment strategy tailored to your goals and risk tolerance, and provide calm, informed guidance when markets get rough. That partnership can make all the difference in building lasting financial freedom.

To help you avoid the pitfalls above as you 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 30 September 2025

New Zealand Defence Force FlexiSaver Scheme

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.20	0.59	1.20	2.74	2.17
	Conservative	1.10	2.32	3.93	4.50	2.23
	Moderate	1.77	3.66	6.31	7.38	3.93
	Balanced	2.41	5.00	8.65	10.11	5.70
	Growth	3.10	6.33	10.93	12.74	7.59
	High Growth	3.62	7.48	13.04	15.52	9.02
	Shares	4.02	8.34	14.27	16.86	9.60
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.23	0.66	1.36	3.14	2.47
	Conservative	1.18	2.51	4.36	4.90	2.43
	Moderate	1.83	3.81	6.56	7.58	4.12
	Balanced	2.46	5.15	9.00	10.32	5.95
	Growth	3.17	6.54	11.25	12.88	7.95
	High Growth	3.67	7.55	13.26	15.66	9.38
	Shares	4.11	8.49	14.47	16.87	9.90
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.23	0.72	1.47	3.38	2.68
	Conservative	1.24	2.66	4.59	5.18	2.52
	Moderate	1.90	3.95	6.80	7.77	4.31
	Balanced	2.53	5.23	9.10	10.30	6.09
	Growth	3.11	6.44	11.13	12.54	8.07
	High Growth	3.70	7.55	13.37	15.38	9.53
	Shares	4.12	8.45	14.59	16.79	10.09

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 30 September 2025

New Zealand Defence Force KiwiSaver Scheme

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.20	0.61	1.21	2.78	2.17
	Conservative	1.27	2.69	4.58	5.35	2.56
	Moderate	1.84	3.86	6.56	7.32	3.99
	Balanced	2.57	5.34	9.06	9.94	5.61
	Growth	3.15	6.49	10.96	12.11	7.37
	High Growth	3.70	7.69	13.06	15.06	8.88
	Shares	4.06	8.36	14.34	17.02	9.69
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.22	0.65	1.37	3.17	2.48
	Conservative	1.32	2.81	4.84	5.59	2.63
	Moderate	1.87	3.98	6.79	7.51	4.07
	Balanced	2.62	5.45	9.32	10.14	5.79
	Growth	3.23	6.56	11.24	12.18	7.63
	High Growth	3.76	7.78	13.25	15.09	9.08
	Shares	4.16	8.59	14.73	17.24	10.07
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.24	0.73	1.49	3.43	2.68
	Conservative	1.44	3.01	5.11	5.81	3.04
	Moderate	1.93	4.04	6.90	7.64	4.36
	Balanced	2.64	5.48	9.35	10.04	5.87
	Growth	3.19	6.69	11.54	12.49	7.88
	High Growth	3.77	7.81	13.48	15.22	9.47
	Shares	4.05	8.47	14.56	16.91	10.27

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Investment Returns For Periods Ended 30 September 2025

Defence Force Superannuation Scheme

PIR	Fund	1 Month %	3 Months %	FYTD [*] %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.20	0.60	1.22	2.81	2.20
	Conservative	1.29	2.68	4.53	5.34	2.55
	Moderate	1.83	3.85	6.49	7.25	3.99
	Balanced	2.57	5.35	9.06	9.96	5.67
	Growth	3.15	6.46	10.97	12.04	7.41
	High Growth	3.70	7.69	13.03	15.05	8.86
	Shares	4.02	8.33	14.27	16.86	9.61
PIR	Fund	1 Month %	3 Months %	FYTD [*] %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.22	0.65	1.25	2.72	2.42
	Conservative	1.35	2.86	4.91	5.71	2.71
	Moderate	1.91	4.00	6.81	7.57	4.24
	Balanced	2.61	5.44	9.23	9.96	5.92
	Growth	3.20	6.60	11.36	12.32	7.70
	High Growth	3.71	7.72	13.29	15.12	9.23
	Shares	4.11	8.50	14.55	17.18	10.18
PIR	Fund	1 Month %	3 Months %	FYTD [*] %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.25	0.73	1.51	3.45	-
	Conservative	1.41	2.99	5.04	5.71	2.72
	Moderate	1.96	4.10	6.97	7.63	-
	Balanced	2.69	5.56	9.52	10.21	5.92
	Growth	3.25	6.66	11.38	12.23	7.86
	High Growth	3.79	7.85	13.39	15.08	9.36
	Shares	4.12	8.52	14.64	17.09	10.21

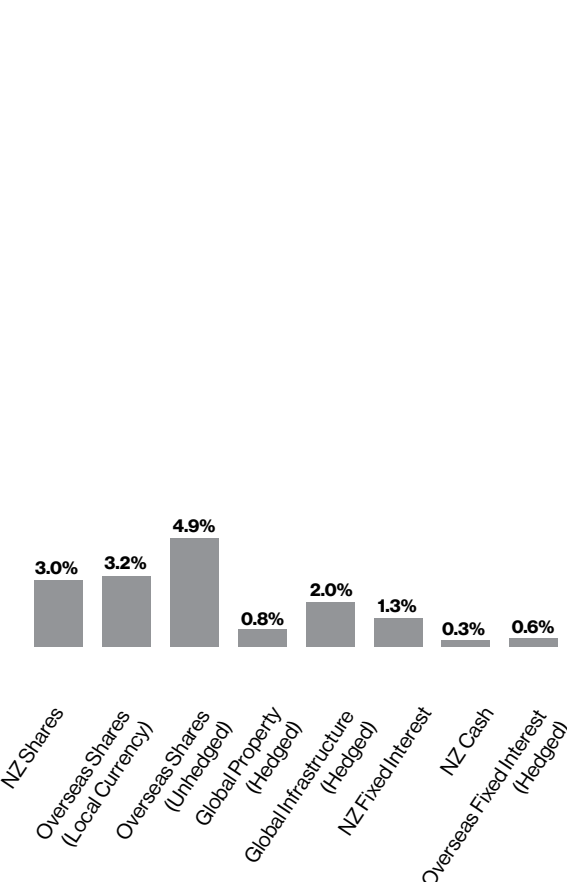
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- '-' indicates that investment option was not operating for the full period or did not have funds invested for the full period.

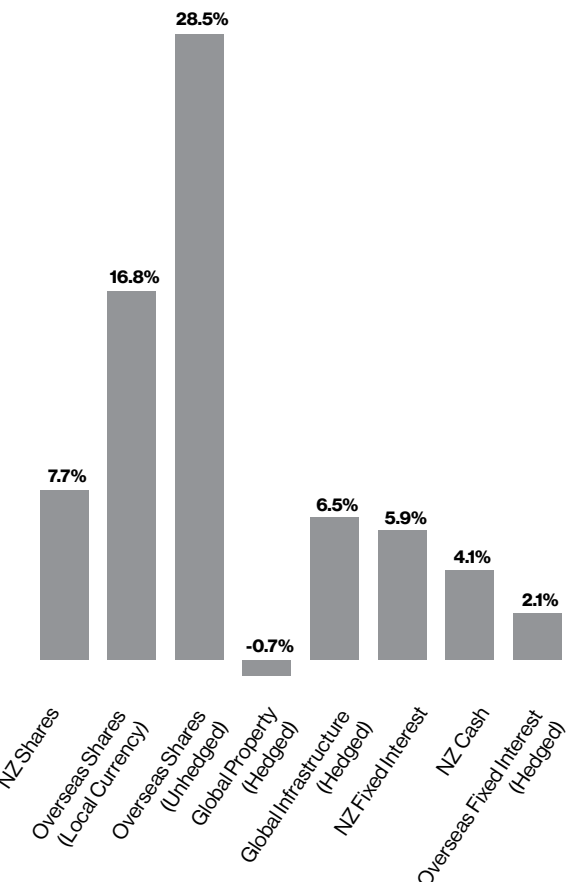
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Investment Returns For Periods Ended 30 September 2025

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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