



TE OPE KĀTUA O AOTEAROA  
**DEFENCE FORCE**

New Zealand Defence Force  
Savings Schemes

# Monthly report

For the period ended 30 November 2022

## Market performance summary

### – November in a snapshot

- Share markets continued to deliver positive returns for investors in November. Despite this, the economic outlook remains uncertain.
- All investment options in the New Zealand Defence Force Savings Schemes had positive returns for the month.
- 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 (previously named Milestone Direct) team of advisers by calling **0508 BECOME (0508 232 663)** or emailing **hello@become.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 30 November 2022

Global share markets continued to deliver positive returns in November, which was a result of better than expected Consumer Price Index ('CPI') readings in the US, spurring the S&P 500's biggest one-day rally since April 2020. In spite of this, the US Federal Reserve ('Fed') remained intent on increasing interest rates further. This view was shared by St. Louis Fed President, James Bullard, who stated that a 5% - 5.25% target policy rate was needed "at the very minimum", well above the current range of 3.75% - 4%. Despite back-to-back monthly gains in global share markets, the economic outlook remains unclear. Market participants and central bankers will continue to monitor employment data closely as interest rate rises continue to filter through and weigh on the global economy.

New Zealand shares also continued to perform well during the month, reflecting a generally positive market mood globally. The S&P/NZX 50 finished the month up 1.9%. Comparatively, Australian shares took flight, gaining 6.6% (in local currency). This was a result of CPI coming in much lower than expected and the Reserve Bank of Australia's rate hike of 0.25%, which further demonstrated their less aggressive monetary policy stance in comparison to global counterparts.

In keeping with the wider market movements, Listed Property gained 4.9%. This was aided by a sharp rise in Chinese real estate stocks, after the Chinese Government announced a debt easing policy for the sector. Listed Infrastructure also fared well, rising 6.0%.



# Monthly Commentary Ended 30 November 2022



## United States

The US midterms did not result in the “giant red wave” that many pollsters had predicted. Whilst the Democrats will hold a slight majority in the Senate, the House of Representatives has a Republican majority. This is a blow to the Biden Administration, with the gridlock caused by a split Congress likely to hinder the introduction of any Democratic policies.

## China

Mass protests broke out in China over the country’s zero-Covid policy, with at least 15 major cities holding major demonstrations, including Beijing and Shanghai. Locals welcomed a relaxation of some restrictions after public unrest reached a boiling point amid record high Covid cases and increasingly costly lockdowns.

## New Zealand

The Reserve Bank of New Zealand (‘RBNZ’) delivered an Official Cash Rate (‘OCR’) rise of 0.75%, the biggest single rise since the OCR was established in 1999. This hawkish approach was accompanied by the news that there was consideration of raising it by a full percentage point. The RBNZ also forecasted a “shallow recession”, which they predicted to last through next year.

# Become Wealth Monthly Commentary Ended 30 November 2022

## Invest Like You Eat

What would happen if you, or anybody, just ate one single thing, again and again? Clearly, you wouldn't be very healthy as your body would suffer from a lack of certain nutrients.

Different foods are made up of varying amounts of protein, fat, and carbohydrates as well as vitamins and minerals. All these nutrients sustain your body to help it function at its best.

Instead of eating just one thing, the wider the variety of food groups on your plate each day, the more nutrients your body consumes, and the healthier you are.

The same is true for diversification in an investment portfolio. Investors who put their funds in only one type of asset, or even singular share (stock), are at an increased risk for loss due to a lack of variety in their portfolio.

Putting together a diversified portfolio is similar to putting together a balanced diet. A diversified portfolio will draw from different aspects and parts of different markets. It'll include a collection of stocks (shares), property, and bonds that will provide for your specific financial needs – just like a series of good meals.

The more diverse your diet, the healthier you'll probably be. The same goes for your investment portfolio.

If you would like to discuss anything above as it relates to you, including your investments into the NZDF Savings Schemes, it would be our pleasure to assist:

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

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 30 November 2022

## 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	0.55	1.07	1.21	0.74
	Conservative	1.14	-0.09	-2.32	-4.40	1.43
	Moderate	1.66	0.22	-2.75	-5.05	2.15
	Balanced	2.21	0.44	-3.24	-5.86	3.13
	Growth	2.71	0.77	-3.54	-6.42	4.01
	High Growth	3.02	1.07	-3.70	-6.93	4.78
	Shares	3.30	1.62	-3.69	-8.34	5.07
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.22	0.63	1.24	1.40	0.85
	Conservative	1.27	-0.07	-2.64	-4.84	1.57
	Moderate	1.85	0.21	-3.04	-5.37	2.33
	Balanced	2.43	0.49	-3.53	-6.16	3.35
	Growth	2.98	0.95	-3.61	-6.34	4.42
	High Growth	3.36	1.34	-3.79	-6.83	5.18
	Shares	3.53	1.79	-3.79	-8.23	5.47
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.24	0.67	1.35	1.54	0.92
	Conservative	1.34	-0.18	-2.79	-5.13	1.62
	Moderate	1.98	0.28	-3.17	-5.54	2.49
	Balanced	2.62	0.49	-3.70	-6.32	3.51
	Growth	3.16	1.04	-3.66	-6.33	4.55
	High Growth	3.51	1.39	-3.90	-6.85	5.41
	Shares	3.80	1.73	-4.06	-8.28	5.69

### 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 2022

# Investment Returns For Periods Ended 30 November 2022

## New Zealand Defence Force KiwiSaver Scheme

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.19	0.54	1.07	1.20	0.78
	Conservative	1.20	-0.23	-2.71	-4.42	1.52
	Moderate	1.85	-0.20	-3.56	-5.64	2.19
	Balanced	2.42	-0.13	-4.69	-7.07	2.91
	Growth	2.98	0.23	-5.03	-7.68	3.72
	High Growth	3.31	0.50	-5.16	-8.12	4.53
	Shares	3.30	1.55	-3.61	-8.23	5.12
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.22	0.64	1.24	1.39	0.89
	Conservative	1.33	-0.25	-3.02	-5.07	1.68
	Moderate	2.00	-0.24	-3.97	-6.13	2.22
	Balanced	2.70	-0.17	-5.07	-7.43	3.17
	Growth	3.20	0.08	-5.59	-8.09	4.03
	High Growth	3.60	0.50	-5.62	-8.41	4.86
	Shares	3.54	1.67	-3.83	-8.08	5.47
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.25	0.71	1.36	1.52	0.98
	Conservative	1.46	-0.29	-3.25	-3.96	2.03
	Moderate	2.18	-0.09	-4.10	-5.73	2.53
	Balanced	2.82	-0.14	-5.29	-7.62	3.22
	Growth	3.45	0.20	-5.68	-7.73	4.27
	High Growth	3.78	0.58	-5.56	-7.52	5.23
	Shares	3.77	1.78	-4.01	-7.71	5.71

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# Investment Returns For Periods Ended 30 November 2022

## Defence Force Superannuation Scheme

PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
28% prescribed investor rate (PIR)	Cash	0.21	0.56	1.14	1.31	0.81
	Conservative	1.23	-0.21	-2.62	-4.48	1.52
	Moderate	1.84	-0.10	-3.45	-5.54	2.17
	Balanced	2.45	-0.10	-4.66	-7.02	3.00
	Growth	2.99	0.25	-4.92	-7.53	3.82
	High Growth	3.30	0.50	-5.12	-8.15	4.53
	Shares	3.27	1.64	-3.38	-8.18	5.12
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
17.5% prescribed investor rate (PIR)	Cash	0.23	0.66	1.30	1.49	0.94
	Conservative	1.39	-0.22	-2.91	-4.98	1.67
	Moderate	2.08	-0.22	-3.84	-5.92	2.45
	Balanced	2.70	-0.01	-4.70	-6.97	3.35
	Growth	3.33	0.25	-5.38	-7.74	4.18
	High Growth	3.59	0.66	-5.34	-8.06	5.02
	Shares	3.69	1.87	-3.68	-7.96	5.65
PIR	Fund	1 Month %	3 Months %	FYTD* %	1 Year %	5 Years %
10.5% prescribed investor rate (PIR)	Cash	0.25	0.70	1.41	1.62	-
	Conservative	1.49	-0.25	-3.08	-5.27	-
	Moderate	2.22	-0.16	-3.89	-6.05	-
	Balanced	2.89	-0.21	-5.31	-7.61	3.28
	Growth	3.49	0.33	-5.47	-7.82	4.33
	High Growth	3.84	0.62	-5.65	-8.07	5.21
	Shares	3.81	1.81	-3.89	-8.17	5.80

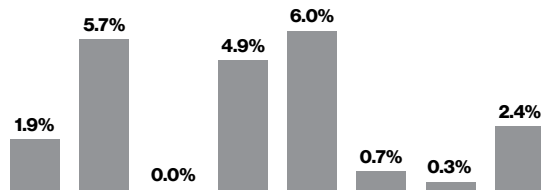
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- '-' indicates that investment option was not operating for the full period or did not have funds invested for the full period.

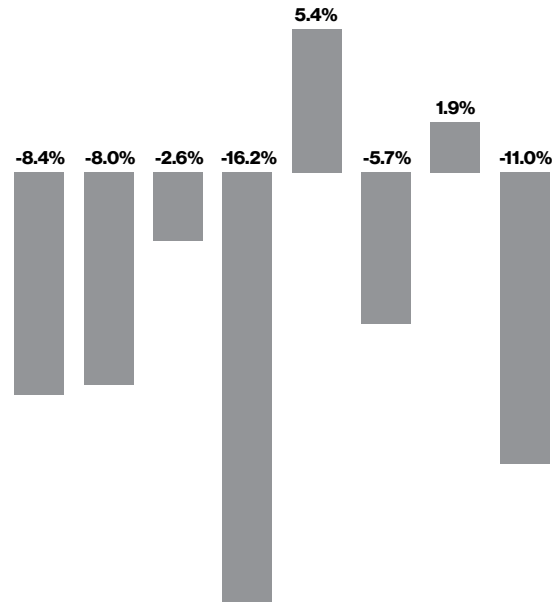
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# Investment Returns For Periods Ended 30 November 2022

## 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

NZ Shares  
Overseas Shares (Local Currency)  
Overseas Shares (Unhedged)  
Global Property (Hedged)  
Global Infrastructure (Hedged)  
NZ Fixed Interest  
NZ Cash  
Overseas Fixed Interest (Hedged)

NZ Shares  
Overseas Shares (Local Currency)  
Overseas Shares (Unhedged)  
Global Property (Hedged)  
Global Infrastructure (Hedged)  
NZ Fixed Interest  
NZ Cash  
Overseas Fixed Interest (Hedged)

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