

# INSIGHTS

March 2026

## Message from the Trustee

This edition covers:

- An update on the upcoming KiwiSaver changes
- Information on market volatility
- The latest Investment Insights video
- A spotlight on the First Home Purchase benefit
- Investment returns information for periods ended 31 December 2025
- A market update for the quarter ended 31 December 2025
- An overview of the Fund's investment manager structure

Should you have any questions, don't hesitate to contact us at [nzasrf@mercer.com](mailto:nzasrf@mercer.com) or call the Helpline on **0508 266 787** (or +61 3 8306 0964 if calling from overseas).

Regards,

*NZAS Retirement Fund Trustee Board*

## Upcoming KiwiSaver changes – impacts for locked-in contribution rates



### KiwiSaver changes

On 1 April 2026, the default KiwiSaver employee and employer contribution rates will each increase from 3% to 3.5% of salary. Each default rate will then rise again, to 4% of salary, on 1 April 2028.

A KiwiSaver member can choose to reduce their contribution rate to 3% for up to 12 months (and can then apply for another temporary rate reduction when that period ends). They can also still take (and annually renew) a KiwiSaver savings suspension. In each case the member can do this by logging into *MyIR* at [www.ird.govt.nz](http://www.ird.govt.nz).

### Members locking in 3%

Under pending law changes expected to take effect on 31 March 2026, if you have chosen to make KiwiSaver-consistent locked-in contributions to the Fund and have directed that the locked-in portion of your contributions will be **3% of base salary**, then (despite the KiwiSaver default contribution rate increases, and without you being required to do anything):

- that 3% will automatically remain your locked-in contribution rate (with the remainder of your contributions paid on standard unlocked terms), and
- the locked-in portion of NZAS' before-tax contributions for your benefit will also automatically remain at 3% of base salary (meeting NZAS' KiwiSaver compulsory employer contribution obligations), with the other 7% paid on standard unlocked terms.

## Members locking in more than 3%

If you joined NZAS' employment on or after 1 April 2008, are making locked-in contributions to the Fund and have directed that the locked-in portion of your contributions will be **greater than 3%** of base salary, then (unless you elect to reduce your lock-in rate to 3% - see below) the locked-in portion of NZAS' before-tax contributions for your benefit will:

- increase to 3.5% of base salary on 1 April 2026, and
- increase again, to 4% of base salary, on 1 April 2028

with the portion paid on standard unlocked terms in each case reducing accordingly.

If you joined NZAS' employment before 1 April 2008 there will be no changes to NZAS' lock-in rate.

## Reducing your lock-in rate to 3%

If you wish to reduce the locked-in portion of your contributions to 3% of base salary, please complete Section B of the **Application to Change Contributions Form**, available on the **Fund website**.

If you are a new member with less than 12 months' KiwiSaver membership and have elected to make locked-in contributions, you may be currently subject to a contribution delay period until completing 12 months of KiwiSaver membership. Should you wish to make changes to your election please contact payroll.

## If you contribute to KiwiSaver from pay, but don't make locked-in member contributions

If you also contribute to KiwiSaver from pay, qualify for KiwiSaver employer contributions (by reason of having joined NZAS' employment on or after 1 April 2008) and are making only standard unlocked contributions to the Fund, then the before-tax portion of NZAS' contributions directed to your locked-in account (to meet NZAS' KiwiSaver obligations) will:

- increase to 3.5% of base salary on 1 April 2026, and
- increase again, to 4% of base salary, on 1 April 2028

with the portion paid on standard unlocked terms in each case reducing accordingly (unless you reduce your KiwiSaver contribution rate to 3%).

If you joined NZAS' employment before 1 April 2008, there will be no change to the treatment of your Fund contributions.

## Questions?

If you have any queries or wish to discuss your contributions to the Fund further, please contact Helpline on **0508 266 787** or email **[nzasrf@mercero.com](mailto:nzasrf@mercero.com)**.



## What is market volatility?

Investment markets can sometimes feel like a rollercoaster - and recent geopolitical events, including **unrest in the Middle East**, have added to the ups and downs. This is what we call market volatility - the natural fluctuation of investment values as global events unfold. Learn more about market volatility **[here](#)**.

Remember, staying calm during market fluctuations and avoiding rushed decisions is important. If you're feeling uncertain, it may be a great time to chat with a financial adviser who can help align your investments with your personal situation. Visit the Fund website's **Financial Advice** page to review resources available to you. Our Helpline team are also available on **0508 266 787** (or +61 3 8306 0964 from overseas).

## Investment Insights video



Having trouble viewing this video? Please try another browser.

Have you watched the latest Investment Insights video? David Scobie, Mercer New Zealand's Senior Investment Consultant, shares insights from Mercer's global network of investment experts, covering:

- How different asset classes performed in 2025.
- The impact of recent asset performance on member returns.
- Trends Mercer is monitoring and how they may influence investment opportunities in 2026.

*This video was filmed in mid February 2026 and the information discussed is relevant at the time of recording.*



## Benefit spotlight: First Home Purchase Withdrawal

If you are planning to buy your first home, the Fund offers a **valuable benefit** allowing you to access some of your retirement savings to assist with your purchase. Here's what you need to know:

- To qualify, you must have been a member of the Fund (with locked-in savings, if you are seeking a locked-in account withdrawal) and/or a KiwiSaver scheme for a combined total of at least three years.
- The property must be in New Zealand and intended as your main home, for you to live in - not as an investment property.
- Withdrawals can be made from both standard and locked-in accounts, provided a minimum balance of \$1,000 remains in the Fund.
- If your purchase falls through and the amount withdrawn is returned to the Fund, you can reapply.
- This benefit is intended for first home buyers only. For those who've owned a home before, you'll need confirmation from **Kāinga Ora** showing you're in a similar financial position to a first-time buyer.

### Ready to get started?

- We recommend seeking financial advice before making a significant financial decision which could affect your retirement savings. Check out the advice resources listed on the Fund website's **'Financial Advice' page**.
- Complete the **Home Purchase Withdrawal form** available on the NZAS website and submit it with the required documentation at least 10 working days before the desired withdrawal date.

Further information is available through these documents:

- [NZAS Home Withdrawal FAQs](#)
- [NZAS Product Disclosure Statement](#)

## Investment returns

The following table shows investment returns (after tax and investment-related costs) for each of the Fund's four investment options for the stated periods, each ended 31 December 2025.

	Cash	Conservative	Balanced	Growth
<b>Fund year to date (6 months)</b>	1.19%	4.17%	6.63%	9.10%
<b>3 years (p.a.)</b>	3.8%	6.4%	8.9%	11.5%
<b>5 years (p.a.)</b>	2.7%	3.0%	4.5%	6.1%
<b>10 years (p.a.)</b>	2.0%	4.1%	6.1%	8.2%

You can find the [latest earning rates](#) and general information about [how financial markets are performing](#) on the Fund website.

## Market update

### For period 1 October to 31 December 2025

The investment environment in the quarter ended 31 December 2025 was characterised by a mix of positive global equity performance and cautious bond markets. International equities (i.e. global share markets) rose by 3.4%, supported by strong U.S. earnings in Q3 and the Federal Reserve's rate cuts. Value stocks did well in December, as investors became cautious about the hype around artificial intelligence and reassessed its risks. Strong, stable companies also performed well during this time. Emerging markets, particularly South Korea and Taiwan, saw gains of 5.6%, driven by strong local stock performances.

Closer to home, New Zealand shares increased by 2.0%, supported by better-than-expected economic growth data and the Reserve Bank of New Zealand's decision to cut interest rates twice by a total of 0.75%, bringing the official cash rate down to 2.25%. This rate reduction, along with positive economic signals, improved the outlook for the domestic economy. On the contrary, Australian equities declined slightly by 1.0%, as high inflation persisted, prompting the Reserve Bank of Australia to hold its cash rate steady at 3.6%. Despite the rate cuts, New Zealand government bonds fell marginally by 0.2%, with market expectations suggesting the easing cycle might be nearing its end.

Global listed infrastructure assets experienced a modest increase of 0.5%, while global listed property declined by 0.5%. Precious metals, however, had a strong quarter, with gold rising 12.8% and silver up by 51.4%, as investors sought safety amid ongoing geopolitical tensions and economic uncertainties.

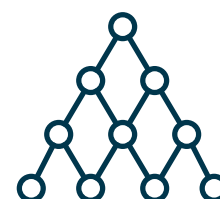
Geopolitical risks remained elevated, with the U.S. conducting military operations in Venezuela in the first week of January 2026 and tensions between Japan and China intensifying. China's introduction of an import quota on beef, though unlikely to impact New Zealand exports significantly, also added to the complex trade environment.

Overall, the outlook as at 31 December 2025 remained mixed, with ongoing geopolitical risks, the potential for further interest rate adjustments and artificial intelligence continuing to influence market sentiment in the months ahead.



## An overview of the Fund's investment manager structure

It's important to understand how your investments are managed. The [investment manager diagram](#) illustrates how the Fund works closely with Mercer and a network of specialised external investment managers, each responsible for different sectors. You can review it [here](#).



## Your Trustee Directors

You're welcome to contact any of your Trustee Directors if you have any questions about the Fund. Their details are [online](#) or you can call them on their direct lines:

### Site-Based Trustee Directors

**Andrew** 03 218 5989  
**Greg** 027 292 8146  
**Karen** 03 218 5689  
**Paula** 03 218 5571  
**Tom** 027 774 4536

### Offsite Trustee Directors

**Bruce** 027 284 0481  
**Kyle** +61 (0) 477 362 101  
**Tim** 027 453 5565

**Do you have any questions about the Fund?** You can contact the Helpline on **0508 266 787** (Australia 03 8306 0964, and international +61 3 8306 0964) between 9am and 7pm Monday to Friday, except for national public holidays.

General disclaimer: Information in this newsletter is not intended to be financial advice or to take the place of a financial adviser. The information in this newsletter is for general information only, and has been prepared on behalf of NZAS Retirement Fund Trustee Limited (the issuer of the Fund) without taking account of your personal objectives, circumstances or needs. More information about the Fund can be found in the Fund's most recent Product Disclosure Statement, a copy of which is available at [www.nzasretirementfund.com](http://www.nzasretirementfund.com). Past performance cannot be relied upon as a guide for future performance.

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