



MONTHLY MARKET REVIEW

DELIVERING GLOBAL PERSPECTIVE

June 2025

Scott O’Ryan

Business Development Manager, Adviser & Intermediary

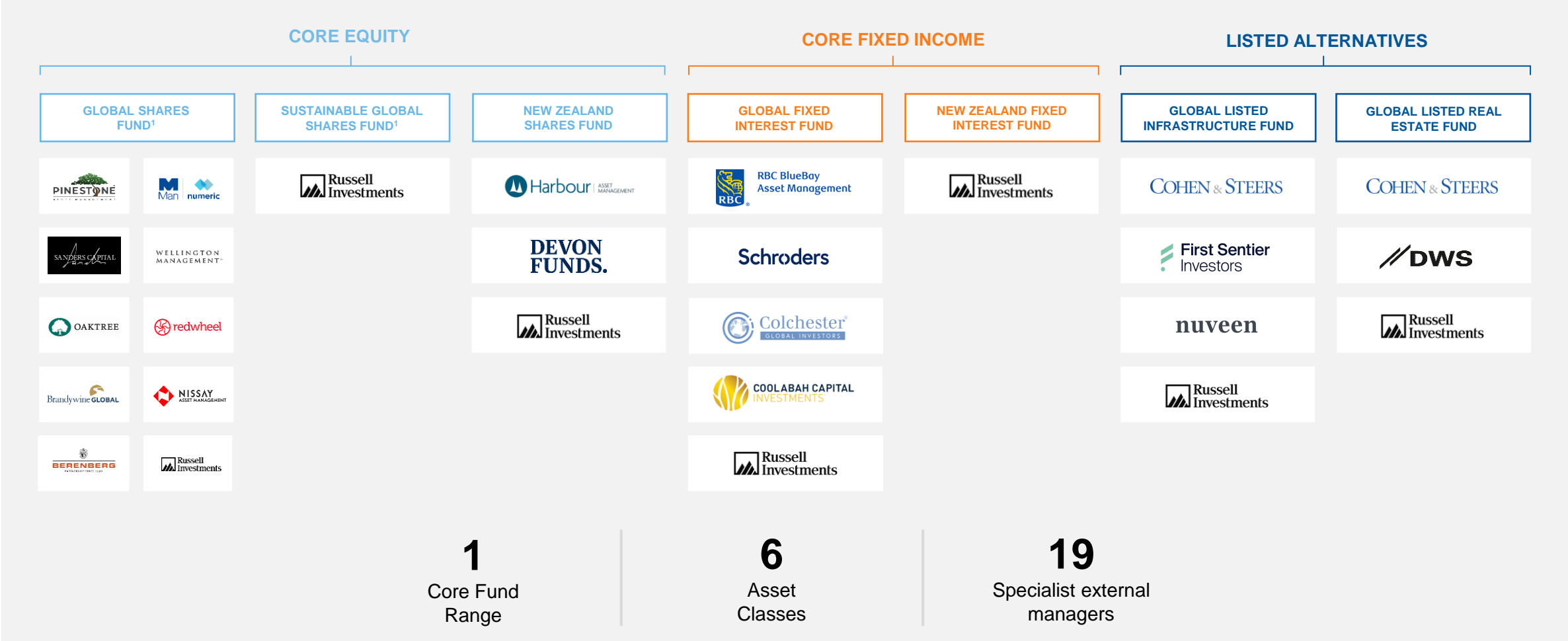
Falesha Kidd

Associate Business Development Manager, Adviser & Intermediary

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Russell Investments New Zealand fund overview

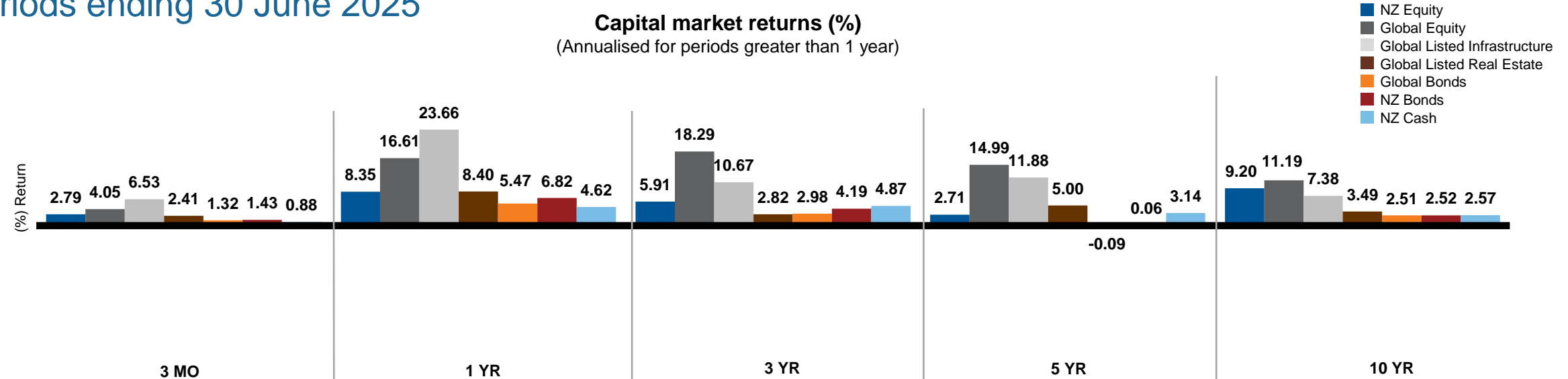
Diversified, time-tested core portfolio holdings in Portfolio Investment Entity (PIE) structure



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Capital markets

Periods ending 30 June 2025



NZ equity: NZX 50 with Imputation Credits Index

Global equity: (MSCI ACWI Index) Global market index that includes large/mid-cap stocks across developed and emerging markets

Global listed infrastructure: (S&P Global Listed Infrastructure Index – NZD Hedged) Index for global publicly traded infrastructure securities

Global listed Real Estate: (FTSE EPRA NAREIT Developed – NZD Hedged) Index for global publicly traded real estate securities

Global bonds: (Bloomberg Global Aggregate Bond Index – NZD Hedged) Broad index for Global Fixed Income market

NZ bonds: (Bloomberg NZBond Composite 0+ Yr TR NZD) Broad index for NZ Fixed Income market

Cash: Bloomberg NZBond Bank Bill TR NZD – short dated New Zealand bank bills

CAPITAL MARKETS to 30 June 2025:

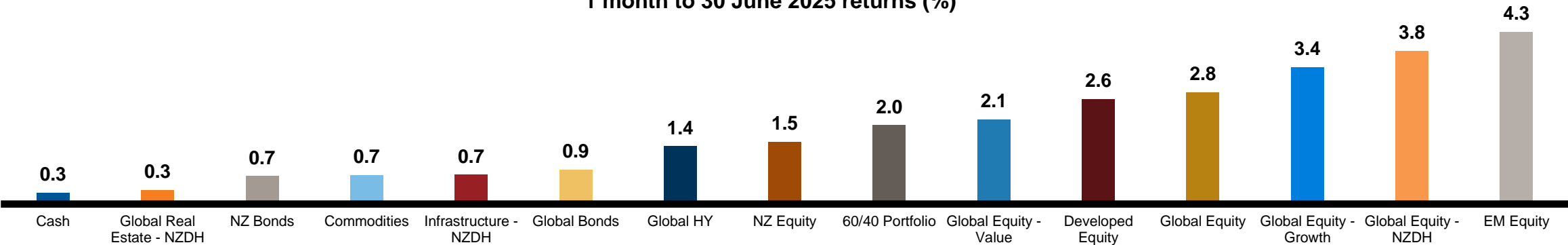
- **NZ equities** rose 1.5% in June, though year to date performance continues to lag the broader market. The gains were primarily driven by strength in the Healthcare and Industrials sectors.
- **Global equities** finished the month up 2.8%, showing resilience despite the US Federal Reserve holding its policy rate steady for the fourth consecutive meeting this month.
- **Global Listed Infrastructure** delivered more modest returns in June but remains the most defensively positioned asset class so far this year (refer to slide 4).
- **Global bond** yields have edged lower over recent weeks amid ongoing geopolitical tensions. Inflation expectations and GDP forecasts remain closely watched.
- **NZ bonds** returned 0.7% for the month, broadly in line with global peers. Notably weak business pricing expectations from the Quarterly Survey of Business Opinion (QSBO) has increased speculation that the RBNZ should consider further rate cuts – an update is expected next week.

Source: Russell, Bloomberg, MSCI, FTSE and S&P Index returns denominated in NZD and represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

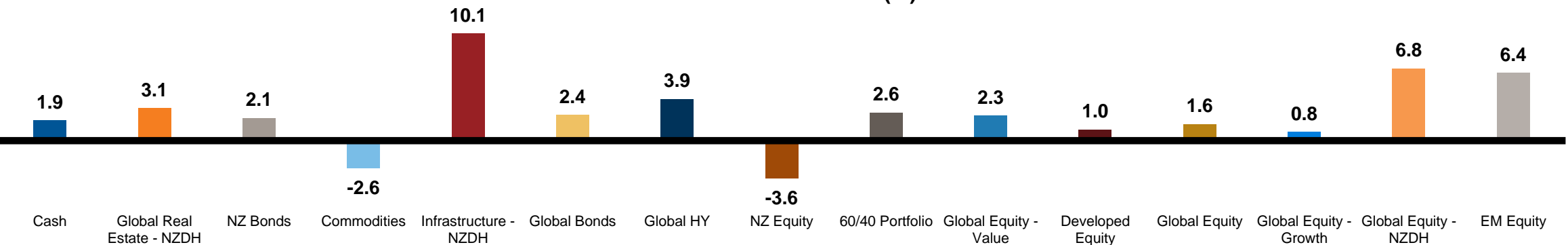
Capital markets

Key asset classes for New Zealand investors

1 month to 30 June 2025 returns (%)



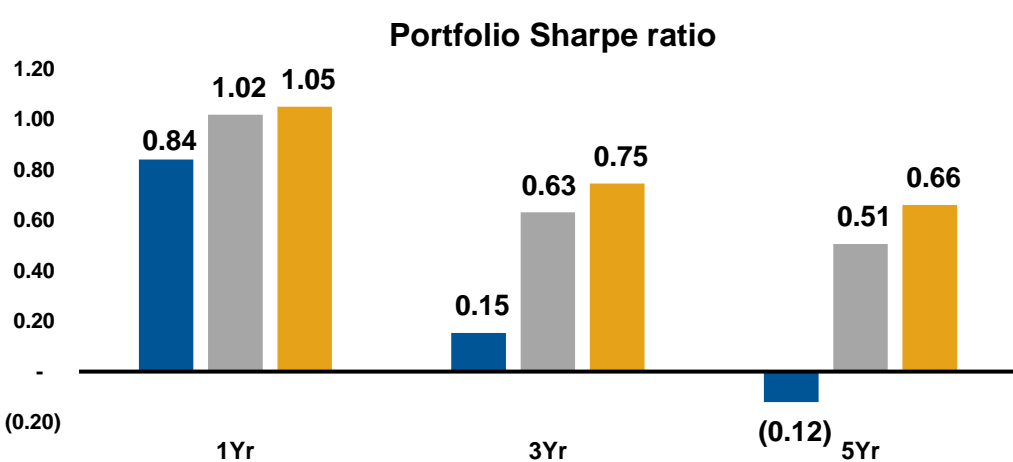
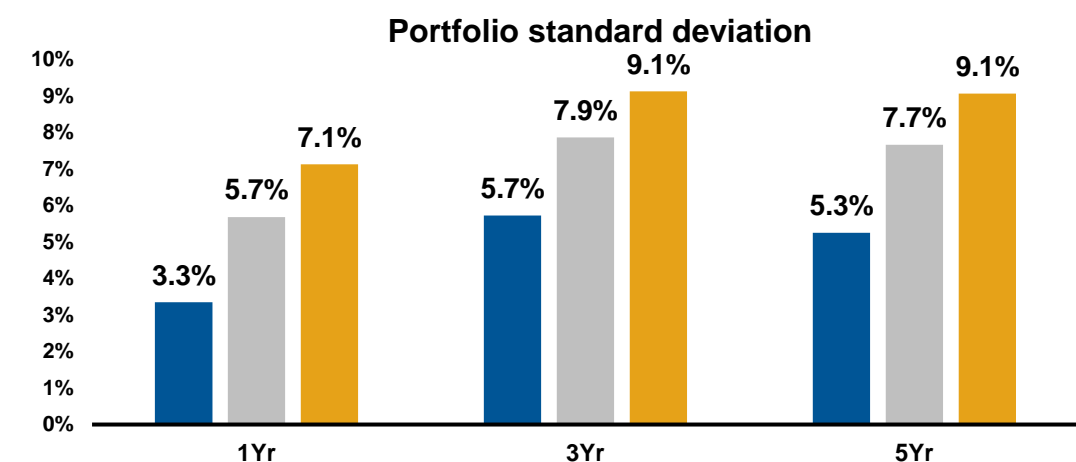
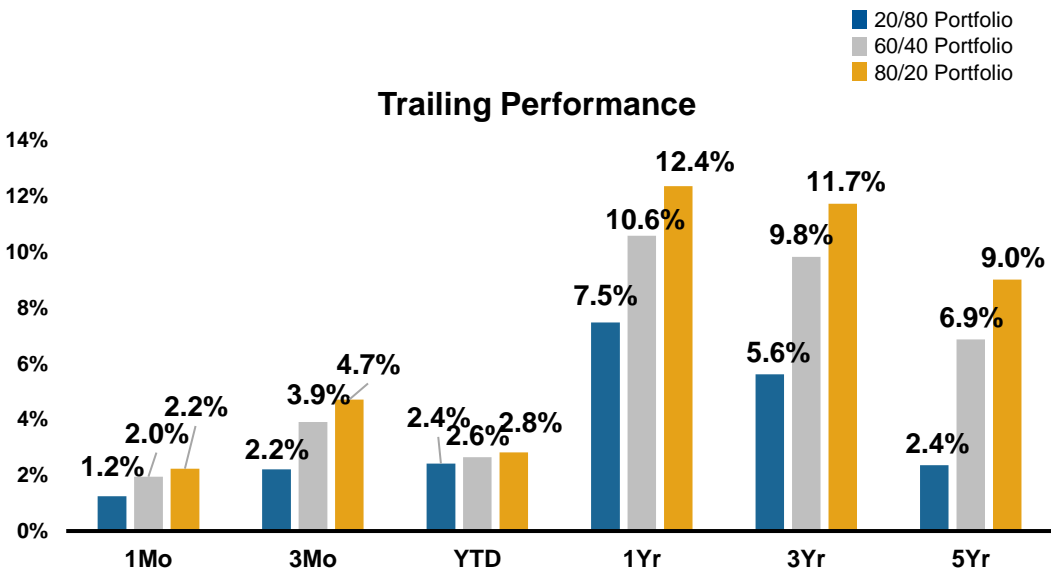
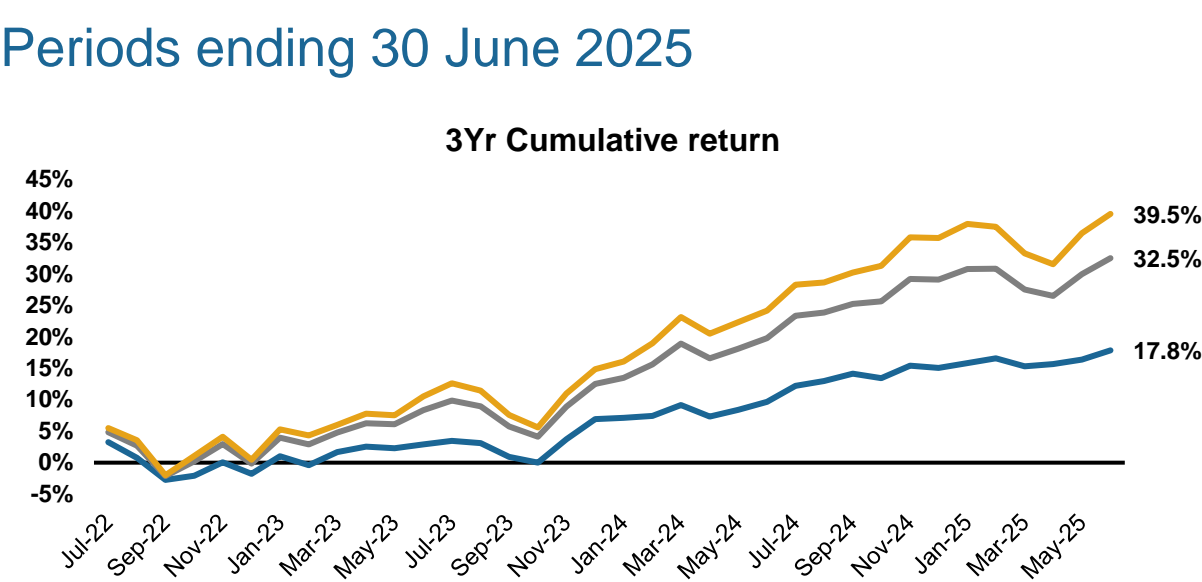
Year-to-date 2025 returns (%)



Source: Morningstar Direct, Russell Investments. Global Equity: MSCI ACWI Net Index; Global Eq Hedged: MSCI ACWI Net Index – NZDH, Global Equity - Growth: MSCI ACWI Growth Net Index; Global Equity - Value: MSCI ACWI Value Net Index, Developed Equity: MSCI World Net Index; NZ Equity: S&P/NZX 50 with Imputation TR NZD; Global Real Estate – NZDH: FTSE EPRA NAREIT Developed NR HN2D, Infrastructure - NZDH: S&P Global Infrastructure Index NZDH; Global High Yield: ICE BofA Dv Mkts HY Constrained NZDH; Cash: Bloomberg NZBond Bank Bill TR NZD; EM Equity: MSCI Emerging Markets Index; Global Bonds: Bloomberg Global Aggregate Bond Index NZDH; NZ Bonds: Bloomberg NZBond Composite 0+ Yr TR NZD; Commodities: Bloomberg Commodity Index Total Return; 60/40 Portfolio: 21.5% Global Equity Unhedged, 21.5% Global Equity 100% NZD Hedged, 12% NZ Equity, 32% Global Bonds, 2.5% Infrastructure, 2.5% Global Real Estate, 8% NZ Bonds. Index returns are denominated in NZD and represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Portfolio dashboard

Periods ending 30 June 2025

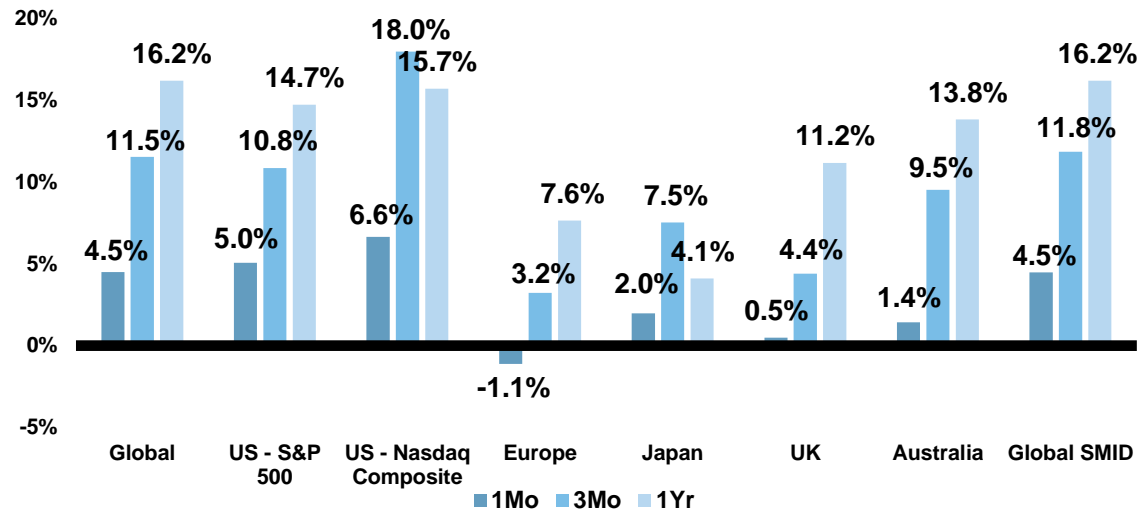


Source: Morningstar Direct, Russell Investments. See Appendix 1 for portfolio weightings. Trailing return periods greater than one-year are annualised. Index returns are denominated in NZD and represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

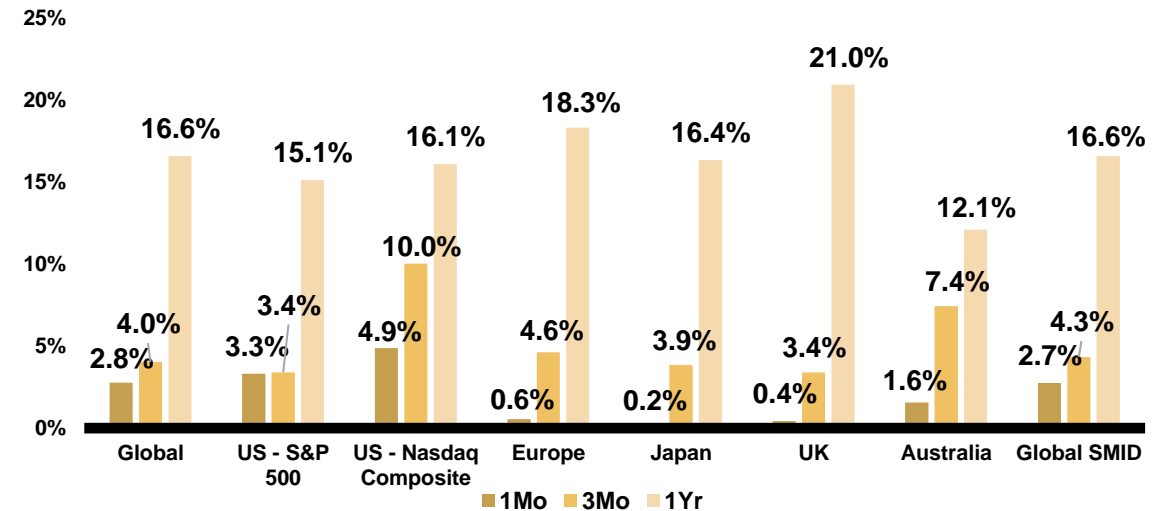
Global equity performance

Periods ending 30 June 2025

Global Equity Performance (Base Currency)



Global Equity Performance (NZD)

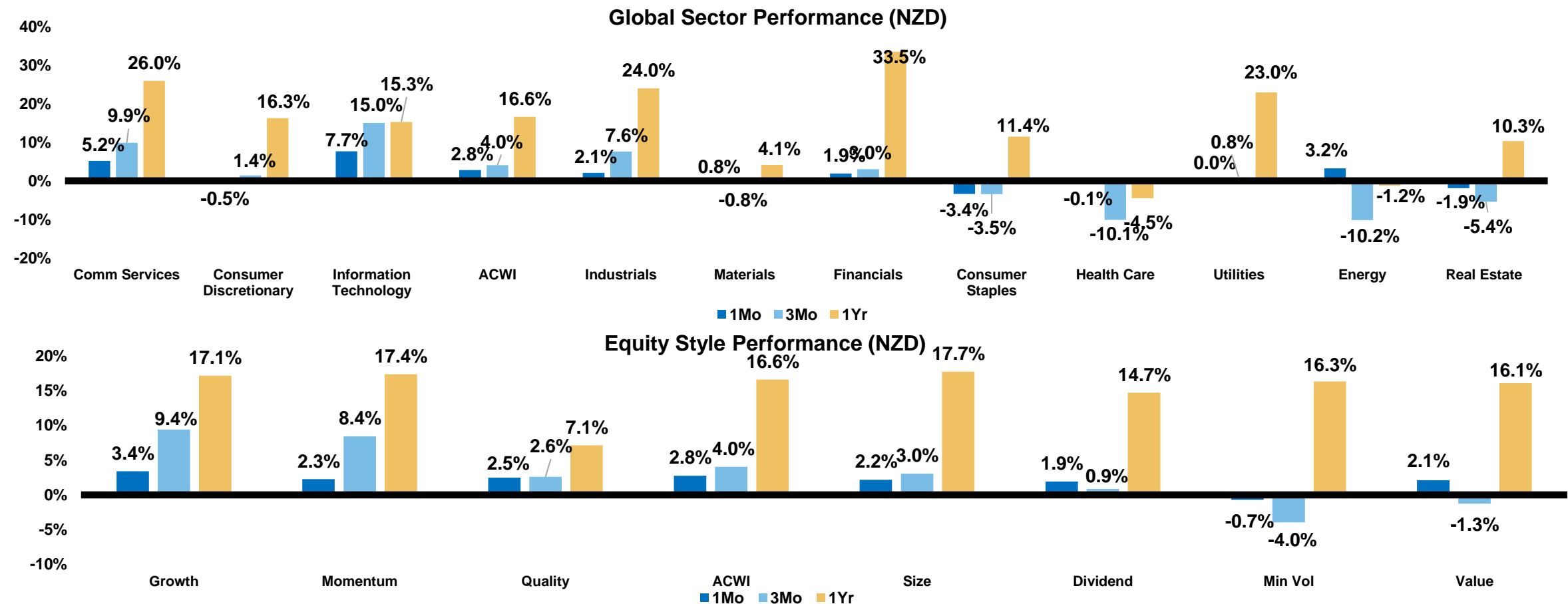


- In the US, the Federal Reserve's (Fed) preferred inflation metric, the personal consumption expenditures (PCE) price index, was in line with expectations in May. Although core PCE was a touch above forecasts the outcome comforted markets, leaving expectations of two further rate cuts this year intact.
- Markets were encouraged by progress on US trade deals, notably an agreement with China.
- Information Technology was the best-performing sector this month, boosted by an optimistic outlook from Nvidia's CEO Jensen Huang at its annual shareholder meeting, which propelled its shares to a new high. Communication Services names also fared well – including Alphabet.
- A US-brokered ceasefire between Israel and Iran also helped to buoy sentiment.
- The MSCI Europe ex UK Index increased by 0.6%. Eurozone preliminary purchasing managers' index (PMI) data was mixed in preliminary June readings.
- The Bank of England (BoE) also left interest rates unchanged but signalled further rate cuts later this year. This followed inflation figures that were in line with forecasts. Notably, services inflation cooled significantly.

Source: Morningstar Direct, Russell Investments. Global: MSCI ACWI NR USD, Europe: MSCI Europe Ex UK NR EUR, UK: FTSE AllSh TR GBP, Australia: S&P/ASX 200 TR AUD, Japan: TOPIX TR JPY, US - S&P 500: S&P 500 NR USD, US - Nasdaq Composite: NASDAQ Composite TR USD, Global SMID: MSCI ACWI SMID NR USD. Index returns represent past performance, and are not a guarantee of future performance, nor are they indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Global sector and style performance

Periods ending 30 June 2025

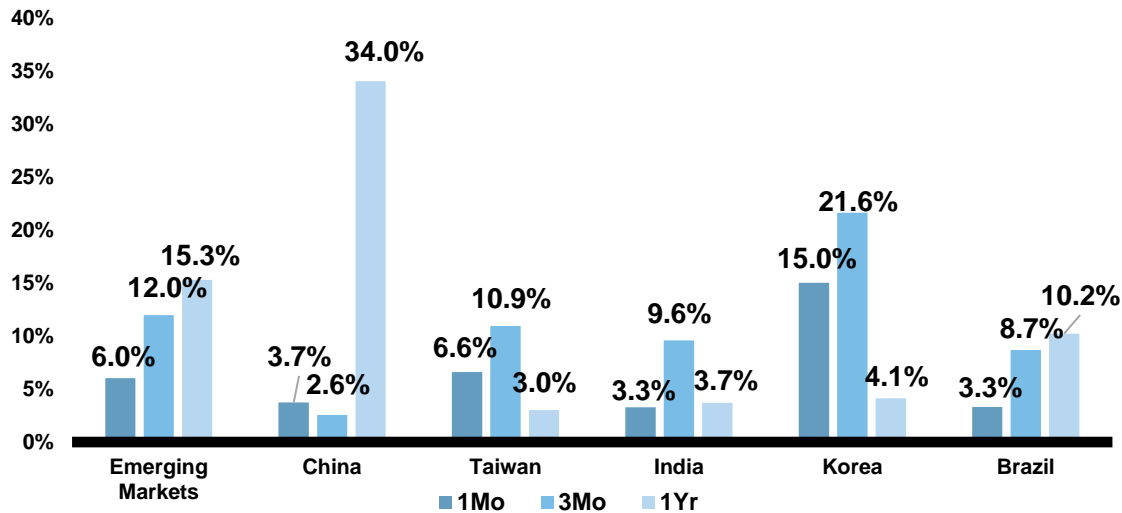


Source: Morningstar Direct, Russell Investments. Energy: MSCI ACWI Energy Net Index, Utilities: MSCI ACWI Utilities Net Index, Materials: MSCI ACWI Materials Net Index, Financials: MSCI ACWI Financials Net Index, Real Estate: MSCI ACWI/EQUITY REITS Net Index, Health Care: MSCI ACWI Health Care Net Index, Consumer Discretionary: MSCI ACWI Consumer Discretionary Net Index, Consumer Staples: MSCI ACWI Consumer Staples Net Index, Information Technology: MSCI ACWI Information Technology Net Index, Industrials: MSCI ACWI Industrials Net Index, Comm Services: MSCI ACWI Comm Services Net Index, Growth: MSCI ACWI Growth Net Index, Momentum: MSCI ACWI Momentum Net Index, Quality: MSCI ACWI Quality Net Index, Size: MSCI ACWI Size TILT Net Index, ACWI: MSCI ACWI Net Index, Dividend: MSCI ACWI Dividend TILT Net Index, Min Vol: MSCI ACWI Minimum Vol Net Index, Value: MSCI ACWI Value Net Index. Index returns are denominated in NZD and represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

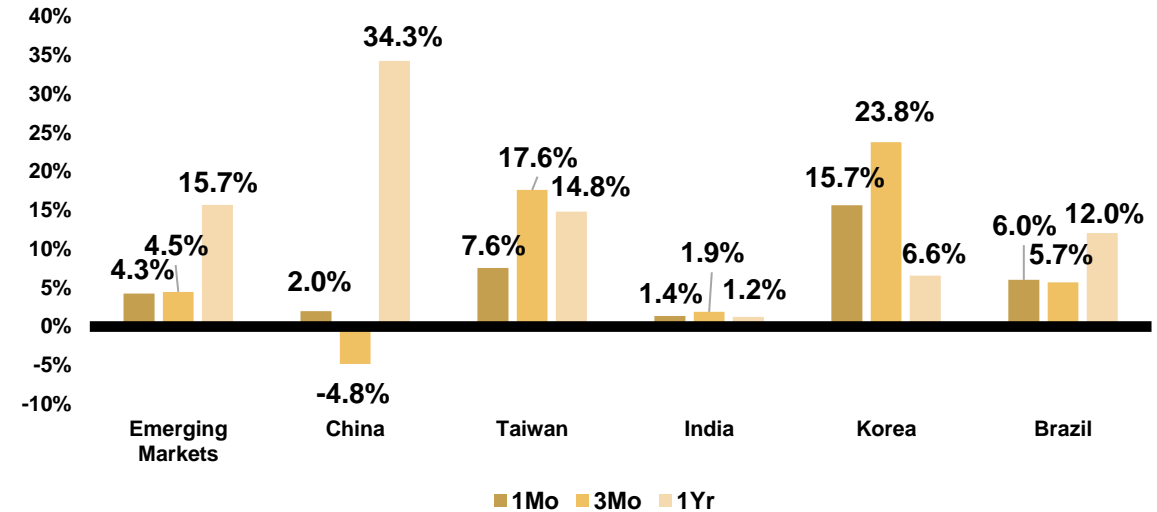
Emerging market performance

Periods ending 30 June 2025

Emerging Market Performance (Base)



Emerging Market Performance (NZD)



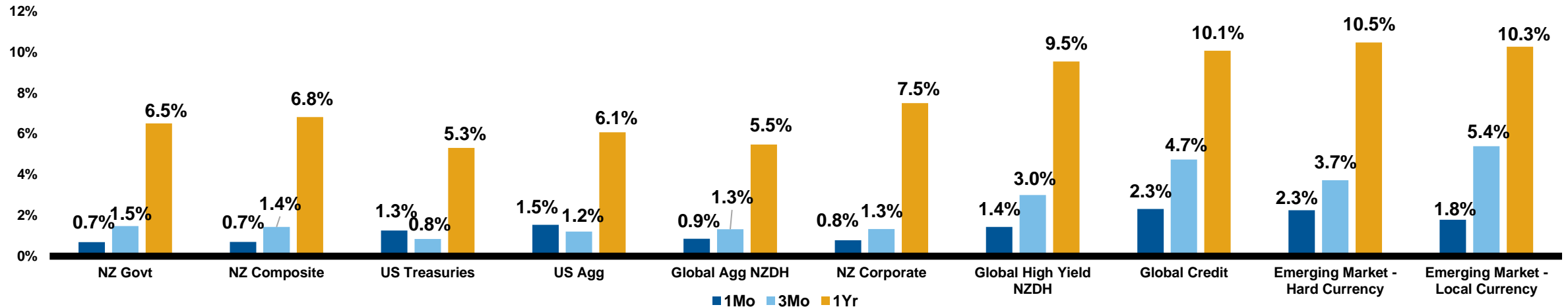
- The MSCI EM Index delivered very strong performance this month, ending up 4.3%. The information technology and financials sectors led the market higher.
- Investors noted the apparent agreement between the US and China to implement the trade framework made in May, aided this month by an easing of restrictions on the export of rare earth minerals from China to the US. Domestically in China, industrial profits disappointed with a significant 9.1% YoY decline in May, negatively impacted by trade tariffs.
- South Korea performed well, largely due to the government proposing increased government spending to improve growth in the second supplementary budget in three months. Initiatives totalling \$14.7 billion (USD) of new expenditure included cash handouts to consumers and support for the construction sector.
- In Mexico, the central bank cut its interest rate by 50 basis points (bps) to 8.0% as expected. This was the fourth-successive cut.
- In India, PMI data strengthened in preliminary June data, with the composite measure (61.0) improving to the highest in just over one year.

Source: Morningstar Direct, Russell Investments. Emerging Markets: MSCI EM NR USD, China: MSCI China NR LCL, Taiwan: MSCI Taiwan NR LCL, India: MSCI India NR LCL, Korea: MSCI Korea NR LCL, Brazil: MSCI Brazil NR LCL. Index returns represent past performance, and are not a guarantee of future performance, nor are they indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Global fixed income performance

Govt, credit and broad market performance to 30 June 2025

Global Fixed Income (Base Currency)

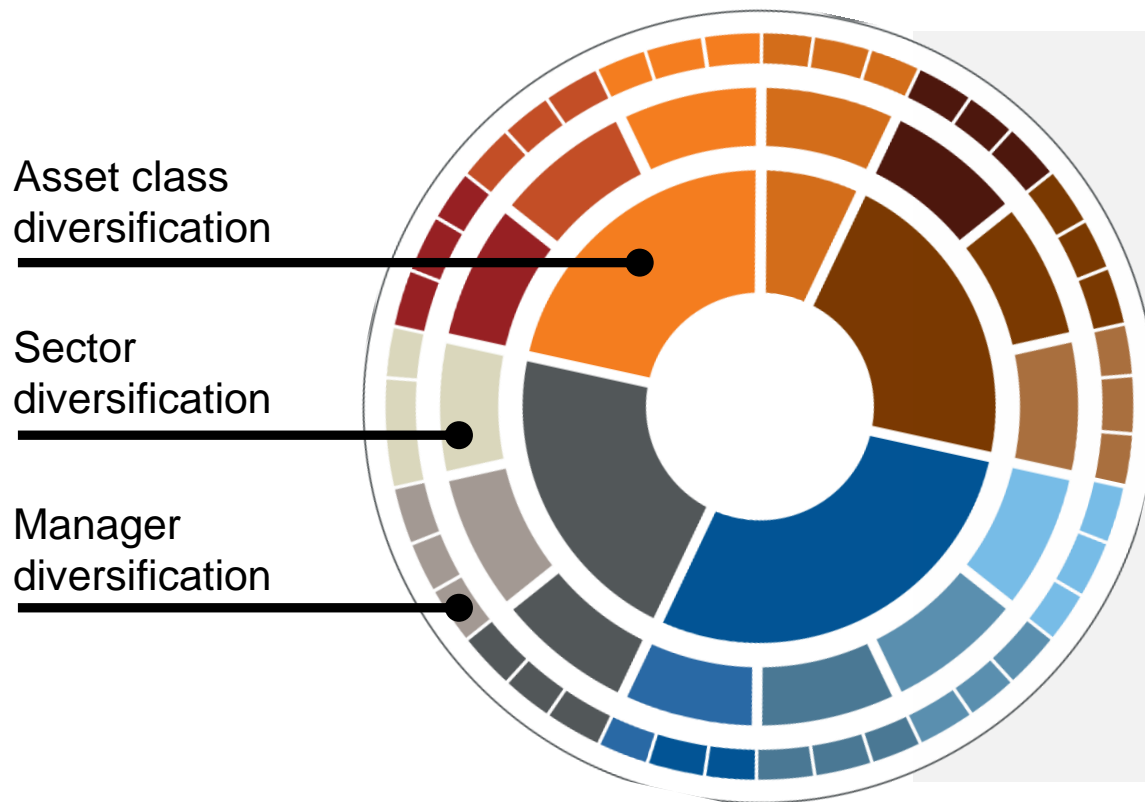


- The Bloomberg Global Aggregate Index rose by 0.9% over the month.
- In the US, Treasury yields fell following the latest economic data releases, including a contraction in GDP, subdued inflation and weakening consumer spending, which increased expectations of Fed rate cuts this year.
- To end last week, the yield on benchmark 10-year Treasuries fell 10 bps to 4.28%.
- In Europe, the yield on benchmark 10-year German bunds rose seven bps to 2.59%. Germany's ambitious investment plans has led to concerns over increased bond issuance, particularly since debt issuance in the third quarter will exceed initial forecasts.
- In the UK, central bank officials reiterated that interest rates are on a downward path while highlighting evidence of a cooling jobs market, including weaker earnings growth, fewer vacancies and rising unemployment.

Source: Morningstar Direct, Russell Investments. NZ Govt: Bloomberg NZBond Govt 0+ Yr TR NZD; NZ Composite: Bloomberg NZBond Composite 0+ Yr TR NZD; Global Agg NZDH: Bloomberg Global Aggregate TR Hdg NZD; US Treasuries: Bloomberg US Treasury TR USD (1987); US Agg: Bloomberg US Agg Bond TR USD NZ Corporate: S&P/NZX NZ Corp Bond Invest Grade NZD; Global High Yield NZDH: ICE BofA Dv Mkts HY Constnd TR HNZD; Global Credit: Bloomberg Global Credit TR USD; Emerging Market - Local Currency: Bloomberg EM Local Currency Govt TR USD; Emerging Market - Hard Currency: Bloomberg EM Hard Currency Agg TR USD. Index returns are denominated in base currency and represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Managing through volatility

The future is uncertain, we focus on making the most of it.



Stay the course

We know investors tend to ride their emotions, but history shows that staying invested during downturns tends to be rewarded.

Stay diversified

No one asset class or style always outperforms. No single manager is great at everything.

Stay invested

In times of market volatility some investors choose to move to cash investments, while others try to time the market. Unfortunately, these investors are often buying high and selling low—and miss the rallies that follow the challenging periods.

Russell Investments overview

A leading global investment solutions partner

Decades of global investment experience

50+ years

Investment consulting

40+ years

Multi-manager funds and outsourced investing

30+ years

Working alongside New Zealand investors

Significant global scale

\$590.8bn

Assets under management

\$1.6tn

Assets under advice

\$101.5bn

Assets managed on behalf of financial advisers

Long-standing track record in New Zealand

1992

Opened office in NZ

\$3.1bn

Funds under management for NZ clients

\$12bn

Assets under advice

30+ clients

Integrated global investment platform

Research & advice

- › Capital markets insight
- › Asset allocation tools
- › Proprietary risk systems

Fund management & implementation

- › Manager research
- › Proprietary factor strategies
- › Global multi-asset investing
 - › In-house trading
- › Efficient implementation



Global and NZ AUM as of 31 December 2024. AUA data as of 30 June 2024. All values in NZD unless otherwise stated. Please note that the logos shown above may be registered trademarks of the organizations represented. Clients may contract for a variety of services from Russell Investments. The identification of the clients listed does not constitute an endorsement or recommendation of Russell Investments' products or services by such client.



THANK YOU!

ANY QUESTIONS?

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Appendix 1

Russell Investments portfolio weightings

PORTFOLIO DATE	ASSET CLASS	INDEX	20/80 (%)	60/40 (%)	80/20 (%)
30/11/2017	NZ Equity	S&P/NZX 50 with Imputation TR NZD	4.00	12.00	16.00
	Global Equity	MSCI ACWI NR	8.00	21.50	27.00
	Global Equity – Hedged	MSCI ACWI Hedged 100% to NZD	8.00	21.50	27.00
	NZ Bonds	Bloomberg NZBond Composite 0+ Yr TR NZD	16.00	8.00	4.00
	Global Bonds	Bloomberg Global Aggregate TR Hdg NZD	64.00	32.00	16.00
	Global Listed Real Estate	FTSE EPRA NAREIT Developed NR HNZD	0.00	2.50	5.00
	Global Listed Infrastructure	S&P Global Infrastructure Hdg NR NZD	0.00	2.50	5.00

Your relationship management team

Scott O’Ryan

Business Development Manager



Scott is based in the Auckland office. He is part of the team that is responsible for growing Russell Investments’ profile within the financial advisory and wealth management sector.

Prior to joining Russell Investments in 2020, Scott worked at Morningstar, where he held senior roles in the Client Solutions team and was involved in delivering data and research to advisory and institutional clients. Prior to returning to New Zealand in 2019, Scott held a variety of roles within Morningstar’s Data and Research teams in the United Kingdom.

Scott is a graduate of Massey University (2010, 2011), holding a degree in Business Studies and a postgraduate diploma in Finance. He has also completed a Masters in Public Administration at the London School of Economics (2017).

Education

- Masters of Public Administration, London School of Economics and Political Science
- Postgraduate Diploma – Finance, Massey University
- Bachelor of Business Studies, Massey University
- New Zealand Certificate in Financial Services (L5) (Investment) [V2]

Experience

- Years with Russell Investments: 4
- Years in the industry: 13

Falesha Kidd

Associate Business Development Manager



Falesha is also based in the Auckland office and part of the team that is responsible for growing Russell Investments’ profile within the financial advisory and wealth management sector, mainly through distributing the firm’s range of multi-manager and directly managed funds.

Prior to joining Russell Investments in 2023, Falesha worked as a Client Relationship Manager for Syndex, dealing with some of New Zealand’s largest private market issuers and investors.

Education

- Bachelor of Commerce, Victoria University of Wellington

Experience

- Years with Russell Investments: 2
- Years in the industry: 5