



Market commentary

Global share markets rose in February, although performance varied across regions. Investors shifted away from US technology companies amid concerns about AI-related disruption, with stronger gains seen in markets such as Japan and Europe. Defensive sectors like Utilities and Consumer Staples performed well during a period of higher volatility, while Energy and Materials benefited from rising commodity prices and geopolitical tensions. Despite softness in some US technology names, overall company earnings remained solid, helping support equity market performance through the month. The beginning of March saw the escalation of conflict in the Middle East, which has seen share markets come off month-to-date.

In February 2026, the new Reserve Bank Governor, Dr Breman, oversaw her first Official Cash Rate (OCR) decision. As expected, the Committee left the OCR unchanged at 2.25%, with “policy likely to remain accommodative for some time”. While acknowledging recent improvement, it was noted that the economic recovery was at an “early stage”. Notably, the Committee was “confident” that inflation would return to the target midpoint over the next 12 months.

All returns are in local currency terms unless stated.

Investment managers

JBWere

Investment manager for the Scheme and International equities, Australasian equities, and Cash asset classes.

Harbour
ASSET MANAGEMENT

Investment manager for the International fixed interest asset class.

amova
Asset Management

Investment manager for the New Zealand fixed interest asset class.

Fund performance

	Past year
Annual return (after deductions for charges and a PIR tax rate of 28%)	5.41%
Annual return (after deductions for charges but before tax)	6.71%
Market index annual return* (reflects no deduction for charges and tax)	6.54%

*The market index comprises the benchmark index returns of each of the asset classes weighted by their benchmark asset allocations. Refer to the SIPO for more information on the market index for this Fund.

Key fund facts

Objective: The Conservative Fund aims to preserve capital while providing a steady return over the short to medium term. It is suitable for investors who want to take a more cautious approach and accept a smaller amount of investment risk to potentially achieve a more stable return.

Description: The Conservative Fund invests mainly in income assets with a modest allocation to growth assets.

Minimum recommended investment timeframe	3 years
Target allocation	20% growth assets / 80% income assets
Inception date	28 February 2024
Annual fund charges (estimated % of net asset value)	0.85%

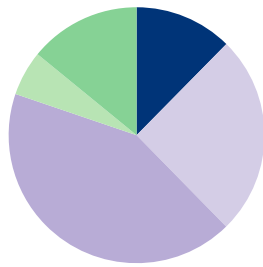
Risk indicator*	Potentially lower returns			Potentially higher returns			
	1	2	3	4	5	6	7
	Lower risk						Higher risk



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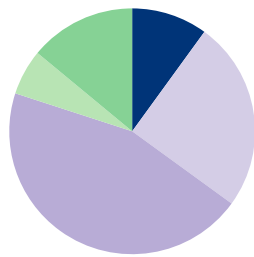


Actual asset allocation as at 31 December 2025



■ Cash and cash equivalents	12.38%
■ New Zealand fixed interest	25.28%
■ International fixed interest	42.56%
■ Australasian equities	5.69%
■ International equities	14.09%

Target asset allocation



■ Cash and cash equivalents	10.00%
■ New Zealand fixed interest	25.00%
■ International fixed interest	45.00%
■ Australasian equities	6.00%
■ International equities	14.00%

Top 10 investments as at 31 December 2025

No	Asset name	% of fund net assets	Type	Country	Credit rating (If Applicable)
1	Hunter Global Fixed Interest Fund	42.56%	International fixed interest	NZ	
2	JBWere Premium Custody Call Account - NZD	11.99%	Cash and cash equivalents	NZ	
3	New Zealand Government 2.75% 15/04/2037	1.49%	New Zealand fixed interest	NZ	AAA
4	New Zealand Government 1.5% 15/05/2031	1.43%	New Zealand fixed interest	NZ	AAA
5	New Zealand Government 4.25% 15/05/2034	1.41%	New Zealand fixed interest	NZ	AAA
6	New Zealand Government 1.75% 15/05/2041	1.36%	New Zealand fixed interest	NZ	AAA
7	New Zealand Government 4.5% 15/05/2035	1.23%	New Zealand fixed interest	NZ	AAA
8	Chorus Limited 4.35% 06/12/2028	1.08%	New Zealand fixed interest	NZ	BBB
9	Westpac New Zealand 6.73% 14/02/2034	0.99%	New Zealand fixed interest	NZ	A
10	New Zealand Local Government Funding Agency 3.50% 14/04/2033	0.96%	New Zealand fixed interest	NZ	AAA

The total value of the above investments as a percentage of the net asset value of the Conservative Fund is 64.50%.

*Because the fund has been operating for fewer than 5 years, the risk indicator is calculated using market index returns for the period of 1 March 2021 - 31 March 2024 and actual fund returns for the period 1 April 2024 – 28 February 2026. As a result, the risk indicator may provide a less reliable indication of the potential future volatility of the fund.

Medical Funds Management Limited is the issuer of MAS Investment Funds. A copy of the PDS and the latest Monthly Fund Update is available on our website at mas.co.nz/resources/documents-and-forms/

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