



Daryl Buckingham
Financial Adviser

Eyes on the prize

The last three years have seen a prolonged period of exceptional returns for eight Technology companies in the U.S. During such periods, it is common for investors to experience a perception that they are missing out and to lose sight of the primary purpose of investing – to make gains that match their risk tolerance. It’s human behaviour. Humans no longer feel nervous about investing after such a period in which they’ve made consistent gains, and shift thinking from wanting to preserve capital at a rate greater than inflation, to wanting to chase the big returns we hear about and presume that everyone else is making. It’s a subtle and insidious human trait that typically peaks at just the wrong moment in time. But then suddenly something like Greenland turns up and we all start to second guess our decisions.

This is just one more area where your financial adviser is of value. Most of the time, we encourage people to invest to benefit their financial future. However, keeping people on target to achieve their financial goals also requires bringing focus back to ensuring that the steps taken today keep them on their long-term path and do not deviate onto tempting, but potentially expensive, side paths. Investors can ‘buy’ a standard fund or jump onto the recent trend and not incur the cost of financial advice. But it is in times of market turmoil and change that we find we make the most important decisions that will deliver long term benefits, guiding investors in those harder to make life decisions.



Russell Investments produce an annual report that calculates the estimated value gained from financial advice. In 2025, it was 4.5%, most of which came from not getting caught up in the emotions of markets like the panic caused by tariffs in April 2025.



Sean Folan
Financial Adviser

Building blocks for success

Counterintuitively, constructing an investment portfolio doesn’t start with where the best returns were found over the last year but identifying and managing the risks associated with investing. Quite often the best returns next year will come from areas that experienced poor returns in the last year. Portfolio management is the practice of adjusting allocations to investments based on prevailing risks. This can be achieved via:

- ➔ Diversification across sectors (e.g. equities, fixed interest, property, infrastructure etc.);
- ➔ Shifting allocations between sectors based on economic conditions; and
- ➔ Identifying individual funds within sectors that offer superior management.

RIVAL Wealth aims to preserve investor capital from loss in addition to growing investor wealth through each phase of the investment cycle.

2025 - the year in review

In 2025, RIVAL Wealth's investment strategy navigated a turbulent yet opportunity-rich environment:

- ➔ **Q1-Q2 volatility and decisive action:** April's "Liberation Day" and fresh U.S. tariffs triggered a 15% drop in the S&P 500 (21% from its February high). RIVAL Wealth increased equity exposure based on disciplined models and long-term conviction, contributing to a swift ~15% market rebound within three weeks. By mid-year, international equities hit new highs, prompting profit-taking and a renewed emphasis on fixed income amid favourable bond yields.
- ➔ **Fixed income focus:** Even as equities rallied, the team and global investment partners like Janus Henderson and PIMCO emphasized the attractive risk-reward balance in bonds, especially U.S. Treasuries and investment-grade credit.
- ➔ **Late-year market shifts:** By September, the U.S. Fed and RBNZ began cutting interest rates, a boost for bond investors amid domestic contraction. However, persistent AI-driven optimism in equity markets remained tempered by household and economic pressures.
- ➔ **Client insights and planning:** RIVAL Wealth encouraged clients to assess their retirement "number" and adjust portfolios in response to evolving goals and market cycles.

In summary, 2025 combined tactical equity rebalancing, strategic bond allocation, and disciplined wealth planning guidance for our clients.

Rising geopolitical risks amid a new world order

Since WWII, the U.S. has played the role of the global policeman. While some actions undertaken have proven to be questionable, the U.S. has previously worked in cooperation with the international community and observed international law.

The recent strike on Venezuela was a unilateral action that violated international law and the UN Charter. Furthermore, it was undertaken in a manner that contravened the U.S. Constitution, which places the authority to go to war with Congress and not the President.



What the actions in Venezuela show is that the current administration will attempt to follow due process, but if that fails, they will act anyway and contrive a justification.

The long-standing financial order is also under attack. In mid-January, the U.S. administration threatened criminal indictment against the Chairman of the U.S. Federal Reserve. The Federal Reserve responded with the following:

"... This new threat is not about my testimony ... It is not about Congress's oversight role ... Those are pretexts. The threat of criminal charges is a consequence of the Federal Reserve setting interest rates based on our best assessment, rather than following the preferences of the President.

This is about whether the Fed will be able to continue to set interest rates based on evidence and economic conditions - or whether instead monetary policy will be directed by political pressure or intimidation. ..."

This is not the first attempt by the current U.S. administration to use legal action against members of the Federal Reserve Board in order to remove them, so that the President can replace them with people who will act in accordance with his preferences.

Central bank independence is a long-standing cornerstone of modern economies, enabling them to act and ensure inflation doesn't spiral out of control.

Should the U.S. central bank lose its independence, the consequences may reverberate around the world.



Support for every stage of your investment journey



The Investment team

Markets shift, and sometimes your goals do too. Whether you're planning for retirement, wanting your money to work smarter, or thinking ahead with succession planning, your investment journey is unique. It might need a tweak now and then. We're here to support that journey, helping you stay informed, confident, and focused on what matters most.

If you'd like to talk about how market trends affect your portfolio or revisit your goals, just reach out. We're only a phone call or email away.



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