

Public Trust Investment Service

Diversified Funds and Cash Fund
Quarterly Update

30 June 2025

Funds Update

What is the purpose of this update?

This document tells you how the Public Trust Investment Service Diversified Funds and Cash Fund have performed and what fees were charged.

The document will help you to compare the Funds (the Funds) with other funds. Public Trust has not prepared this update in accordance with the Financial Markets Conduct Act.

The Financial Markets Conduct Act 2013, the Securities Act 1978 and the Securities Regulations 2009 do not apply to this offer.

This information is not audited and may be updated.

The Funds referred to in this Quarterly Update are used by Public Trust as investment options where it is acting as trustee or co-trustee of an estate or trust, or as property attorney or property manager for a non-consultable customer.

The Funds are not open to members of the public.

Any reference to us, we or our, refers to Public Trust.

Description of the funds

There are six diversified investment options made up of three funds and three portfolios (Diversified Funds) and a single sector Cash Fund. The Funds referred to in this Quarterly Update are used by Public Trust as investment options where it is acting as trustee or co-trustee of an estate or trust, or as property attorney or property manager for a non-consultable customer. The Funds are not open to members of the public. These options are summarised below.

Cash Fund

Aims to produce low risk returns by investing in short-term bank deposits and fixed interest securities.



Total value of the Fund	\$255.4m
Unit price (redemption)	1.0736
Fund start date	28 July 2014

Moderate Portfolio

Aims to produce moderate capital growth with moderate risk over the medium-term by investing 25% in the Defensive Fund and 75% in the Balanced Fund.



Portfolio start date	28 July 2014
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Balanced Fund

Aims to produce long-term capital growth with medium levels of risk by investing 60% in diversified growth assets (shares and listed property) and 40% in diversified income assets (cash and bonds).



Total value of the Fund	\$373.7m
Unit price (redemption)	1.5710
Fund start date	24 July 2014

Diversified Funds

Defensive Fund

Aims to produce stable returns with low capital growth and low risk over the medium-term by investing 80% in diversified income assets (cash and bonds) and 20% in diversified growth assets (shares and listed property).



Total value of the Fund	\$217.3m
Unit price (redemption)	1.1861
Fund start date	28 July 2014

Balanced Growth Portfolio

Aims to provide significant long-term capital growth with medium to high levels of risk by investing 50% in the Balanced Fund and 50% in the Growth Fund.



Portfolio start date	28 July 2014
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Conservative Portfolio

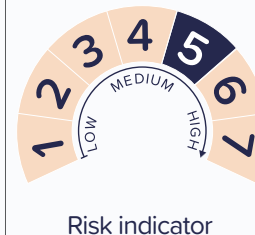
Aims to produce stable returns with some capital growth and low to medium risk over the medium-term by investing 62.5% in the Defensive Fund and 37.5% in the Balanced Fund.



Portfolio start date	28 July 2014
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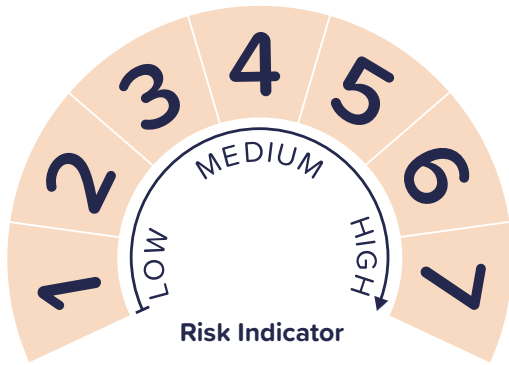
Growth Fund

Aims to produce high long-term capital growth by investing 80% in diversified growth assets (shares and listed property) and 20% in diversified income assets (cash and bonds).



Total value of the Fund	\$28.8m
Unit price (redemption)	1.7583
Fund start date	28 July 2014

What are the risks of investing?



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of a Fund's assets goes up and down. A higher risk rating generally means higher potential returns over time, but more ups and downs along the way. A lower risk rating generally means lower potential returns over time, but fewer ups and downs along the way.

Note that even the lowest category does not mean a risk-free investment.

The risk indicator is not a guarantee of a Fund's future performance. The risk indicator is based on the returns data for a 5 year period from 30 June 2025. While risk indicators are usually relatively stable, they do shift from time to time.

See the Information Statement for more information about the risks associated with investing in these funds.

Important note

None of Public Trust, the Government of New Zealand or any other person guarantees the repayment of any investment in the Funds or the performance of the Funds.

What fees are investors charged?

Annual fund charges

Investors in the Diversified Funds and Cash Fund were charged fund charges. In the year to 31 March 2025 these were:

	Management fee	Costs and expenses ¹	Third party management fee ²	Estimated annual fund charges ³
Cash Fund	0.30%	0.11%	Nil	0.41%
Defensive Fund	0.85%	0.12%	0.02%	0.99%
Conservative Portfolio	0.85%	0.12%	0.03%	1.00%
Moderate Portfolio	0.85%	0.12%	0.04%	1.01%
Balanced Fund	0.85%	0.12%	0.05%	1.02%
Balanced Growth Portfolio	0.85%	0.18%	0.06%	1.09%
Growth Fund	0.85%	0.24%	0.08%	1.17%

¹These are an annualised estimate based on actuals over four months.

²These have been estimated.

³Inclusive of any applicable GST.

Investors are not currently charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the Information Statement for more information about fees.

Small differences in fees and charges can have a big impact on your investment over the long term.

Management fee rebate for Diversified Funds

Accounts with larger amounts invested qualify for a rebate of part of Public Trust's management fee, as outlined in the table below:

Amount Invested	Rebate
On the first \$1,000,000	0.00%
On the next \$1,000,000 plus	0.35%

The rebates are calculated daily and applied quarterly to your account held with Public Trust.

Example of how this applies to an Investor

Bob had \$10,000 in the Balanced Fund at the start of the year and did not make any further contributions. At the end of the year, Bob received a return after fund charges of \$910 (that is 9.10% of his initial \$10,000). Bob did not pay any other charges. This gives Bob a total return prior to tax of \$910 for the year.

This example only applies to the Balanced Fund. If you invest in other funds within the Public Trust Investment Service Diversified Funds and Cash Fund, or your account balance has increased or decreased over the year, this example may not be representative of the actual fees you may be charged.

See the Information Statement on our website at www.publictrust.co.nz/products-and-services/investing for further information on our fees.

Market Update

Markets at a glance

	Returns			Returns	
	Quarter	Year		Quarter	Year
New Zealand shares	2.80%	8.30%	New Zealand cash	0.90%	4.70%
Australian shares (Local)	9.50%	13.80%	New Zealand bonds	1.40%	6.80%
Global shares (Unhedged)	4.00%	16.60%	Global bonds	1.30%	5.50%
Global shares (Local)	9.30%	13.60%	NZD/USD	7.20%	-0.40%
New Zealand property	7.00%	8.70%	NZD - TWI	2.80%	-3.20%

Review of markets over the Second Quarter of 2025

Global markets were volatile in the June Quarter, initially unsettled by higher-than-expected US reciprocal tariffs and escalating geopolitical tensions in the Middle East. Markets rebounded after a pause on tariffs and renewed trade talks, with global equities posting solid gains. The US led the recovery, with the S&P 500 rising 11% to a record high while other major markets also advanced including Japan (+7.6%), the UK (+2.4%), the Eurozone (+3.0%) and Emerging Markets (+7.9%) in local currency terms.

In New Zealand, the S&P/NZX 50 returned 2.8%, supported in part by the Reserve Bank of New Zealand (RBNZ) lowering its policy rate to 3.25%, though domestic economic data remained mixed. NZ listed property delivered strong returns (+7.0%), while fixed income (corporate and Government bonds) provided stability amid broader market volatility. A stronger NZ dollar also boosted hedged international returns for investors.

The Australian equity market also delivered a strong quarter, with the S&P/ASX 200 up 7.4%, largely driven by technology and financials. The Reserve Bank of Australia (RBA) cut the cash rate to 3.85% and signalled a cautious approach to future easing to manage inflation risks.

Looking ahead, financial markets may continue to face challenges and opportunities amid ongoing uncertainty from trade policy, geopolitical shifts, and global economic developments, keeping volatility elevated, while lower interest rates continue to provide relief for businesses and households. Against this backdrop, maintaining a diversified portfolio and a long-term perspective remains essential.

Global markets

Global markets were volatile in the June Quarter, initially unsettled by higher-than-expected US reciprocal tariffs following US presidential Donald Trump's 'Liberation Day' announcement and rising geopolitical tensions in the Middle East. Markets rebounded strongly after a pause on tariffs and renewed trade talks, finishing the quarter up +4.0% (in unhedged NZ terms). Geopolitical tensions escalated in June after Israel and the US launched a military strike on Iran over stalled nuclear negotiations.

In the US, equities staged a sharp rebound, with the S&P 500 Index up +11% and reaching a new record high. Technology and communication services led the gains, supported by renewed interest in the "Magnificent 7" and AI-related stocks, while healthcare and energy lagged. Economic data was mixed, with GDP contracting 0.5% in Q1, though the labour market remained resilient. The Federal Reserve kept interest rates unchanged with Chair Powell signalling patience noting balanced labour conditions but persistent inflation risks while market pricing still project two rate cuts before year-end.

Other markets also posted gains despite a seesaw quarter, with Japan (+7.6%), the UK (+2.4%), the Eurozone (+3.0%) and Emerging Markets (+7.9%) in local currency terms. For unhedged New Zealand investors, returns were dampened by a stronger NZ dollar and USD weakness.

Eurozone shares rose strongly, led by industrials and real estate, while consumer sectors lagged. The European Central Bank delivered two 0.25% cuts, lowering the deposit rate to 2%, with Christine Lagarde signalling the easing cycle may be nearly complete. Inflation eased to 1.9% in May, down from 2.2% in April.

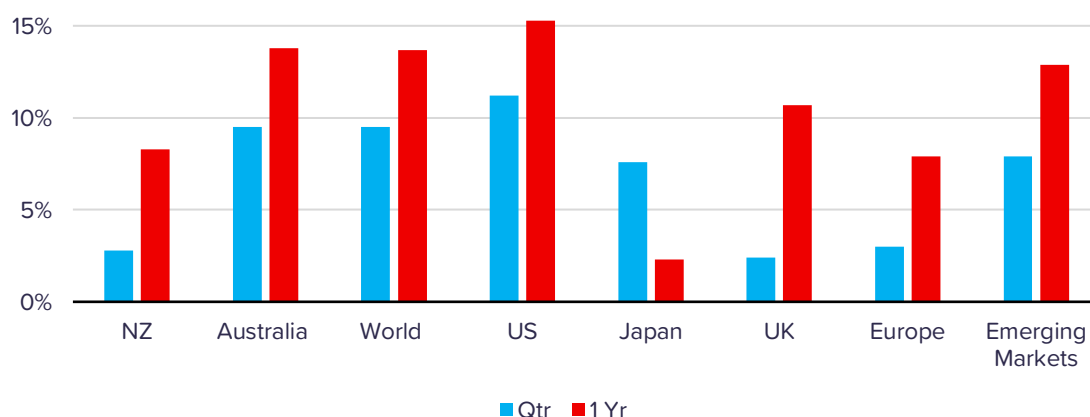
UK equities gained, led by industrials, telecommunications, utilities and real estate, while energy and healthcare lagged. The Bank of England cut interest rates by 0.25% to 4.25%, though inflation remains above target at 3.4%.

Emerging Markets outperformed developed peers over the quarter, supported by US dollar weakness and progress in global trade negotiations. Korea and Taiwan stood out as strong performers, while China and India delivered more modest gains, constrained by valuation and growth concerns

Global bonds posted solid gains, returning 1.4% in hedged NZD terms, benefitting from trade tensions and geopolitical uncertainty as investors sought safer assets. Gains were somewhat tempered by concerns over fewer potential future US rate cuts and Moody's downgrade of the US credit rating.

Global equity returns (in local currency terms)

As at 30 June 2025



New Zealand

The New Zealand share market returned 2.8% in the second quarter, underperforming many global peers. The S&P/NZX 50 Index rebounded sharply in May following an early quarter drop but lost momentum through the rest of the quarter. The local market was supported by improving US-China trade relations and lower interest rates. The RBNZ eased monetary policy further, reducing the Official Cash Rate to 3.25%, with markets pricing in one or two more 0.25% cuts before the end of the year.

Domestic economic data were mixed. Unemployment remained at 5.1% in Q1, while wage growth was weaker than expected. Strong Chinese growth and positive corporate earnings helped sentiment, although companies noted ongoing uncertainty from US tariffs.

Across the Tasman, the Australian share market delivered a strong quarter, with the S&P/ASX 200 Index up 7.4%, supported by steady gains through May and June that pushed the market to new highs. The RBA continued to support the economy, cutting the cash rate to 3.85% in May, while signalling a cautious approach to future easing to ensure inflation remains within target. Similarly, technology and real estate drove much of the rally.

Interest rate sensitive sectors performed strongly over the quarter, with New Zealand listed property delivering an outsized return of 7.0%, outperforming broader markets. Fixed income also offered solid gains, with NZ A-grade corporate bonds up 1.3% and government bonds rising 1.5%, providing diversification and stability amid wider market volatility.

In foreign exchange markets, the New Zealand dollar gained 7.2% against the US dollar over the quarter and rose 2.8% on a trade-weighted basis. A significantly weaker US dollar boosted reported returns for investors holding hedged foreign assets. The US dollar recorded its worst half-year performance since 1991.

Outlook

Looking ahead, financial markets may continue to face challenges and opportunities amid ongoing uncertainty from trade policy, geopolitical shifts, and global economic developments, keeping volatility elevated, while lower interest rates continue to provide relief for businesses and households. Against this backdrop, maintaining a diversified portfolio and a long-term perspective remains essential.

How have the Funds performed?

	Qtr	Year	Inception
Cash Fund	1.02%	5.00%	2.77%
Defensive Fund	1.92%	6.79%	3.55%
Conservative Portfolio	2.59%	7.65%	4.54%
Moderate Portfolio	3.27%	8.52%	5.53%
Balanced Fund	3.73%	9.10%	6.18%
Balanced Growth Portfolio	4.16%	9.68%	6.78%
Growth Fund	4.60%	10.26%	7.38%

Note on returns

The returns assume that distributions are reinvested. Fund returns are after deductions for charges, but before tax.

Important: Returns reflect past performance and do not indicate future performance.

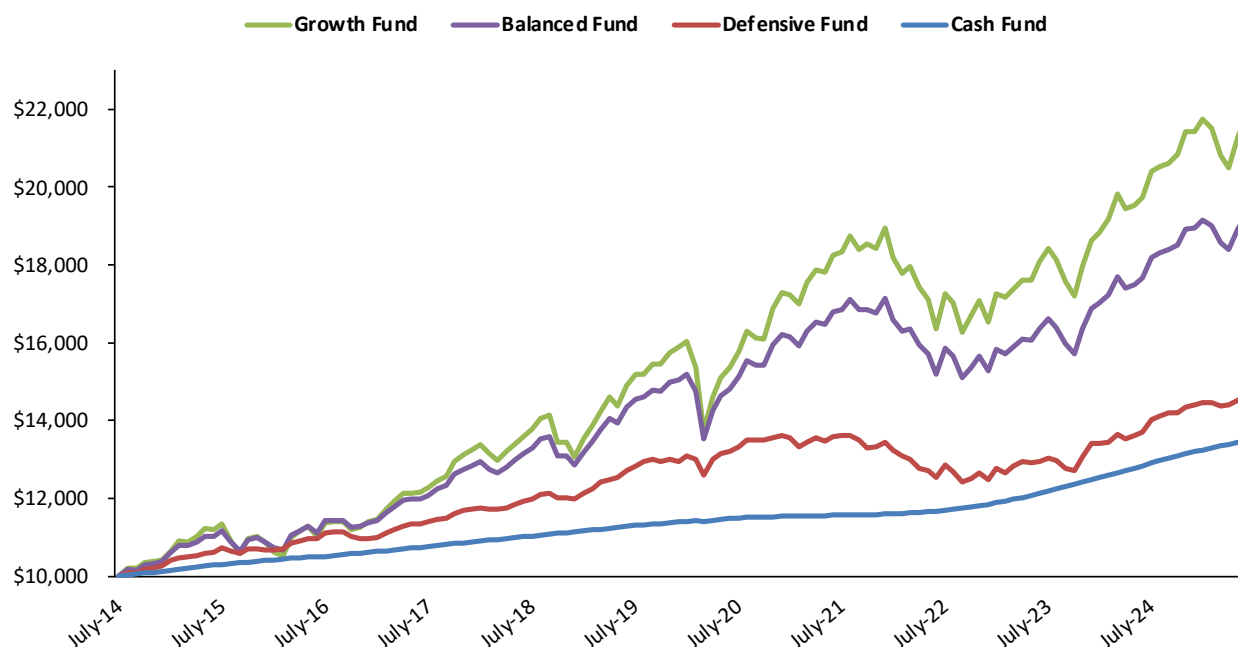
Commentary on performance

Markets were volatile in the June Quarter, following an early drop, driven by US policy uncertainty, trade developments, and geopolitical tensions. US equities rebounded sharply, while performance across NZ and other global markets was mixed, though still positive. Local interest rate cuts supported NZ fixed income and NZ property, and a stronger NZ dollar combined with a weaker US dollar lifted hedged returns on international shares.

All diversified funds finished the quarter with positive returns, capping a period of significant market volatility. Defensive and Conservative funds delivered modest gains, supported by their higher allocations to fixed income which provided ballast during the quarter. Growth oriented funds delivered positive returns supported by gains across NZ and global equity markets. The Cash Fund returned 1.02% amid the falling interest rate environment.

Growth of a \$10,000 investment

Value of the investment



Assumes standard management fees, reinvestment of distributions and zero tax rate.

Inception date for the Balanced Fund is 24 July 2014. For all other Funds it is 28 July 2014.

Further information may be found in the document "Public Trust Investment Service Investment Beliefs and Strategy" on our website: www.publictrust.co.nz.

What do the Funds invest in?

Cash Fund

Actual Investment Mix



Target Investment Mix



ASSETS

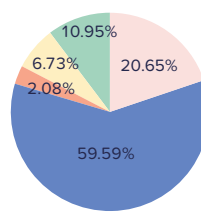
GROWTH 0.00% INCOME 100.00%

ASSETS

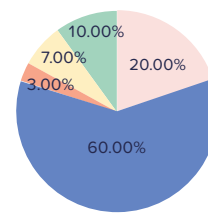
GROWTH 0.00% INCOME 100.00%

Defensive Fund

Actual Investment Mix



Target Investment Mix



ASSETS

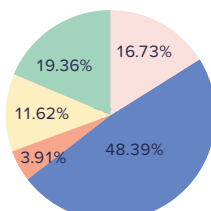
GROWTH 19.76% INCOME 80.24%

ASSETS

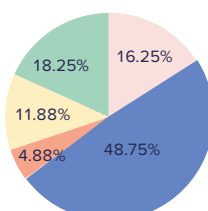
GROWTH 20.00% INCOME 80.00%

Conservative Portfolio

Actual Investment Mix



Target Investment Mix



ASSETS

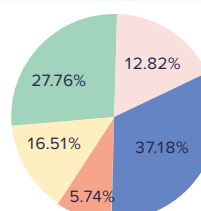
GROWTH 34.88% INCOME 65.12%

ASSETS

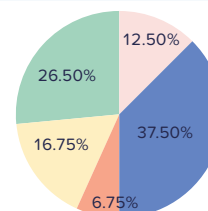
GROWTH 35% INCOME 65.00%

Moderate Portfolio

Actual Investment Mix



Target Investment Mix



ASSETS

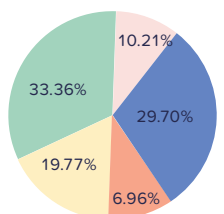
GROWTH 50.01% INCOME 49.99%

ASSETS

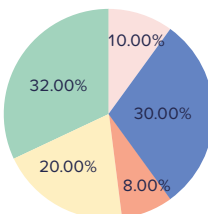
GROWTH 50.00% INCOME 50.00%

Balanced Fund

Actual Investment Mix



Target Investment Mix



ASSETS

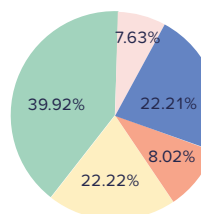
GROWTH 60.09% INCOME 39.91%

ASSETS

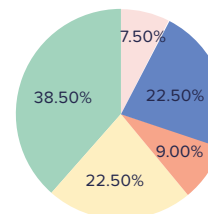
GROWTH 60.00% INCOME 40.00%

Balanced Growth Portfolio

Actual Investment Mix



Target Investment Mix



ASSETS

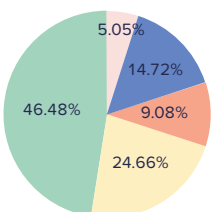
GROWTH 70.16% INCOME 29.84%

ASSETS

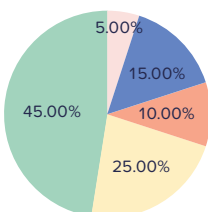
GROWTH 70.00% INCOME 30.00%

Growth Fund

Actual Investment Mix



Target Investment Mix



ASSETS

GROWTH 80.23% INCOME 19.77%

ASSETS

GROWTH 80.00% INCOME 20.00%

Key

- International Shares
- Australasian Shares
- NZ Listed Property
- NZ Bonds
- Cash

Top 10 holdings

GROWTH ASSETS

INTERNATIONAL SHARES		
COMPANY	COUNTRY	WEIGHTING
Nvidia	United States	4.58%
Microsoft Corp	United States	4.18%
Apple	United States	3.67%
Amazon.com	United States	2.49%
Meta Platforms A	United States	1.92%
Broadcom	United States	1.46%
Alphabet A	United States	1.22%
Tesla	United States	1.09%
Taiwan Semiconductor Mfg	Taiwan	1.06%
Alphabet C	United States	1.04%
Top 10 Issuers		22.71%

AUSTRALASIAN SHARES		
COMPANY	COUNTRY	WEIGHTING
Fisher & Paykel Healthcare Corporation Limited	New Zealand	12.32%
Auckland Intl Airport Ltd	New Zealand	7.62%
Infratil Ltd	New Zealand	5.98%
Meridian Energy Ltd	New Zealand	4.41%
EBOS Group Ltd	New Zealand	4.37%
Contact Energy Ltd	New Zealand	4.21%
a2 Milk Co Ltd	New Zealand	3.64%
Mainfreight Limited	New Zealand	3.35%
Commonwealth Bank of Australia	Australia	2.92%
Spark New Zealand Ltd	New Zealand	2.68%
Top 10 Issuers		51.51%

NZ LISTED PROPERTY		
COMPANY	COUNTRY	WEIGHTING
Goodman Property Trust	New Zealand	20.94%
Precinct Properties New Zealand & Precinct Properties Investments Ltd	New Zealand	19.74%
Kiwi Property Group Limited	New Zealand	14.98%
Property for Industry Ltd	New Zealand	11.63%
Vital Healthcare Property Trust	New Zealand	9.59%
Argosy Property Ltd	New Zealand	9.59%
Stride Stapled Group	New Zealand	6.55%
Investore Property Limited	New Zealand	3.69%
New Zealand Rural Land Company Ltd	New Zealand	1.26%
Winton Land Ltd	New Zealand	0.68%
Top 10 Issuers		98.66%

INCOME ASSETS

NZ CASH		
ISSUER	CREDIT RATING	WEIGHTING
Bank of New Zealand	AA-	21.61%
Kiwibank Limited	A+	20.72%
ASB Bank Limited	AA-	15.16%
MUFG Bank, Ltd	A	12.03%
Westpac NZ Limited	AA-	8.26%
Rabobank NZ Limited	A+	4.16%
Toyota Finance New Zealand Ltd	A+	2.88%
Dunedin City Treasury Ltd	AA-	1.93%
New Zealand Post Limited	A-	1.92%
Auckland International Airport Ltd	A-	1.82%
Top 10 Issuers		90.48%

NZ BONDS		
ISSUER	CREDIT RATING	WEIGHTING
New Zealand Government	AAA	35.37%
NZ Local Government Funding Agency Ltd	AAA	24.96%
Housing New Zealand Ltd	AAA	7.24%
Bank of New Zealand	AA-	5.01%
Westpac NZ Limited	AA-	3.62%
Kiwibank Limited	A+	2.93%
ASB Bank NZ Limited	AA-	2.71%
Auckland Regional Council	AA	2.01%
ANZ Bank New Zealand Ltd	AA-	1.75%
Auckland International Airport	A-	1.51%
Top 10 Issuers		87.11%

Key personnel

Position	Chief Executive Officer	General Manager Investments	Senior Portfolio Manager
Name	Glenys Talivai	Amanda Livingstone	Nick Combs
Time in position	6 years	2 years, 4 month	2 years
Previous Position	General Manager	Head of Investments	Head of Investment Management
Time in previous position	4 years, 8 months	11 months	2 years, 2 months
Employer	Tower Insurance	Public Trust	Financial Markets Authority

Where you can find more information

Further information about the funds is contained in the Public Trust Investment Service Diversified Funds Information Statement dated 1 December 2024, a copy of which is available on request to Public Trust.

Contact information

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