Public Trust Investment Service

Diversified Funds and Cash Fund
Quarterly Update

30 June 2026

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.

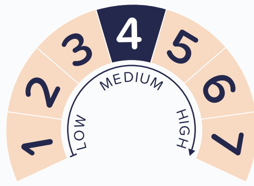
Public Trust

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.

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.

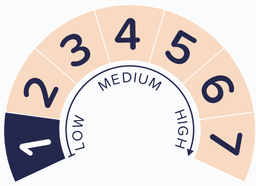


Risk indicator

Portfolio start date	28 July 2014

Cash Fund

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

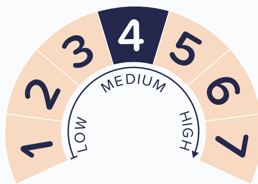


Risk indicator

Total value of the Fund	$255.3m
Unit price (redemption)	1.0707
Fund start date	28 July 2014

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).



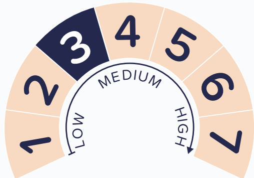
Risk indicator

Total value of the Fund	$436.9m
Unit price (redemption)	1.7360
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).

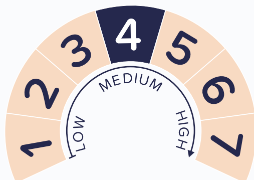


Risk indicator

Total value of the Fund	$283.6m
Unit price (redemption)	1.2321
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.

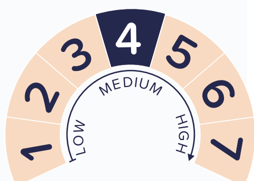


Risk indicator

Portfolio start date	28 July 2014

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.

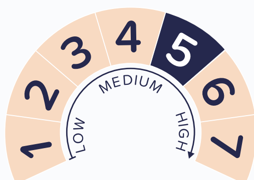


Risk indicator

Portfolio start date	28 July 2014

Growth Fund

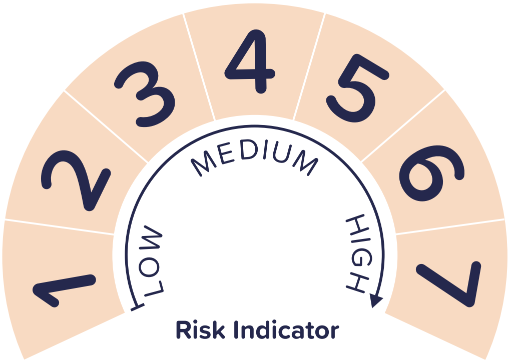
Aims to produce high long-term capital growth by investing 80% in diversified growth assets (shares and listed property) and 20% in diversified income assets (cash and bonds).



Risk indicator

Total value of the Fund	$30.7m
Unit price (redemption)	2.0093
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 2026. 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 2026 these were:

	Management fee	Costs and expenses	Third party management fee	Annual fund charges[1]
Cash Fund	0.30%	0.08%	Nil	0.38%
Defensive Fund	0.85%	0.10%	0.02%	0.97%
Conservative Portfolio	0.85%	0.10%	0.03%	0.98%
Moderate Portfolio	0.85%	0.09%	0.05%	0.99%
Balanced Fund	0.85%	0.09%	0.06%	1.00%
Balanced Growth Portfolio	0.85%	0.15%	0.06%	1.06%
Growth Fund	0.85%	0.21%	0.07%	1.13%

[1] *Inclusive 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 $1,259 (that is 12.59% of his initial $10,000). Bob did not pay any other charges. This gives Bob a total return prior to tax of $1,259 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	
	Quarter	Year
New Zealand shares	5.60%	8.80%
Australian shares (Local)	4.00%	6.10%
Global shares (Unhedged)	15.30%	32.00%
Global shares (Local)	15.10%	25.50%
New Zealand property	4.40%	4.30%

	Returns	
	Quarter	Year
New Zealand cash	0.60%	2.80%
New Zealand bonds	2.80%	5.20%
Global bonds	1.00%	1.70%
NZD/USD	-0.30%	-6.30%
NZD - TWI	-0.60%	-5.90%

Review of markets over the Second Quarter of 2026

Global equity markets delivered strong returns over the quarter, reflecting easing geopolitical tensions, resilient corporate earnings, and continued investment in artificial intelligence (AI) infrastructure. Market sentiment improved as concerns around the Middle East conflict reduced and oil prices retreated from earlier highs. The MSCI All Country World Index (ACWI) returned 15.1% (in local currency terms).

Japanese equities were the strongest-performing developed market over the quarter, while the US also delivered robust returns supported by strong earnings and continued strength in technology-related sectors. European equities also posted solid gains. The New Zealand equity market index reached new highs over the quarter, although returns lagged global peers due to its lower exposure to technology sectors. The New Zealand dollar weakened against most major currencies, adding to returns for investors with unhedged international assets.

Global bond markets delivered modest positive returns as investors balanced resilient economic activity against ongoing inflation pressures. Central banks remained cautious, with uncertainty around the timing and pace of future interest rate cuts continuing to influence bond markets. In New Zealand, the Reserve Bank of New Zealand (RBNZ) left the Official Cash Rate (OCR) unchanged at 2.25% during the quarter, while fixed income delivered positive returns, with government bonds returning 3.2% and corporate bonds returning 2.5%.

Looking ahead to the second half of 2026, the focus for markets will remain on the strength of economic growth, the outlook for inflation and the direction of interest rates. Despite ongoing geopolitical uncertainty, sentiment has improved as concerns around the Middle East conflict and energy prices have eased. Resilient economic activity and company earnings have supported markets, although the outlook remains dependent on how these factors develop. A diversified portfolio and disciplined long-term investment approach remain important in navigating different market environments.

Global markets

Global equity markets delivered strong returns over the quarter, with the MSCI All Country World Index (ACWI) returning 15.1% (in local currency terms). Performance was supported by resilient corporate earnings, improving investor sentiment and continued investment in artificial intelligence (AI) infrastructure. Currency movements also supported returns for New Zealand investors, with the weaker New Zealand dollar boosting the value of unhedged international assets when translated back into NZ dollars.

Markets experienced periods of volatility early in the quarter as conflict in the Middle East pushed oil prices higher and renewed concerns around inflation and energy supply. However, sentiment improved as tensions eased, oil prices declined and investors refocused on economic fundamentals, including company earnings and the ongoing AI investment cycle.

The US equity market delivered a strong quarter, with the S&P 500 Index rising 15.2% (in local currency terms). Strong corporate earnings and continued investment in AI infrastructure supported gains. While technology remained a leading contributor, market gains broadened across the market as confidence in the economic outlook improved.

The US Federal Reserve left interest rates unchanged during the quarter as economic activity remained resilient, while inflation continued to moderate but remained above target. Policymakers maintained a cautious approach, emphasising the need to continue monitoring inflation and economic developments before making further adjustments to monetary policy.

European equities delivered strong returns over the quarter, with the MSCI Europe Index gaining 11.4% (in local currency terms). Performance was supported by easing energy supply concerns, stronger-than-expected corporate earnings and improving investor sentiment. Technology and financial stocks were among the strongest performers, while the energy sector lagged as oil prices declined following the easing of geopolitical tensions.

Japanese equities were the standout performer in developed markets over the quarter, with the MSCI Japan Index rising 16.7% (in local currency terms). Returns were supported by solid corporate earnings, continued demand linked to AI investment and strength across technology and financial stocks. A weaker yen remained supportive for export-oriented companies by enhancing the value of overseas earnings.

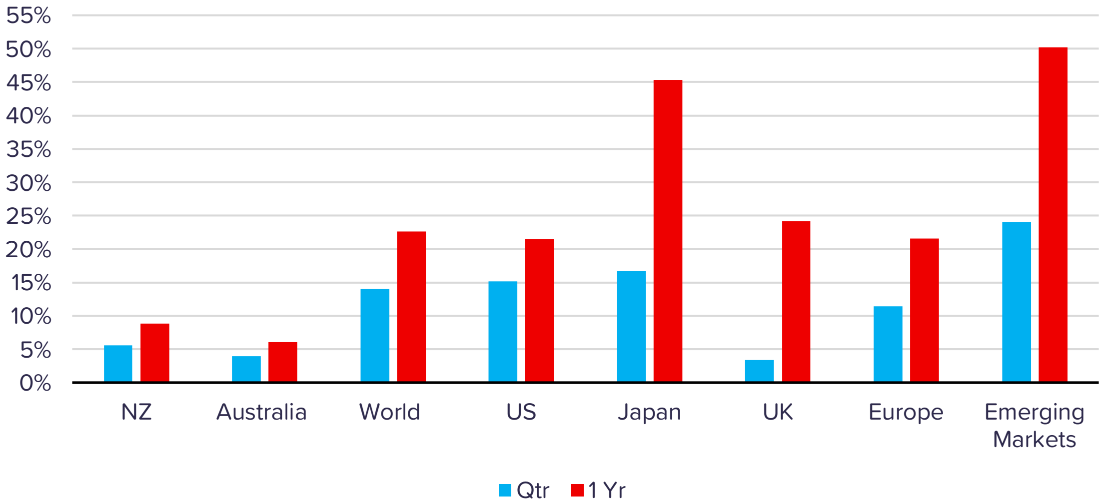
The Bank of Japan continued its gradual move towards monetary policy normalisation, raising interest rates to 1.0% during its June meeting as inflation pressures persisted. Despite the rate increase, the yen remained historically weak, continuing to provide support for Japanese exporters.

Emerging markets also delivered strong returns over the quarter, led by South Korea and Taiwan. These markets benefited from their key role in global semiconductor manufacturing. Performance across emerging markets was more concentrated than broader market gains, with China lagging as investors remained cautious about domestic growth, property sector challenges, and weaker consumer sentiment.

Global bond markets delivered positive but modest returns, with the Bloomberg Global Aggregate Index returning 1.0%. Investors balanced resilient economic activity against ongoing inflation pressures and uncertainty around the outlook for interest rates. Yields initially rose as higher energy prices lifted inflation expectations before easing later in the quarter as geopolitical tensions reduced and oil prices declined. Corporate credit markets performed relatively well, supported by resilient company earnings, improving investor sentiment and tighter credit spreads.

Global equity returns (in local currency terms)

As at 30 June 2026



New Zealand

The New Zealand equity market delivered positive returns over the quarter, with the S&P/NZX 50 Index rising 5.6%, although performance lagged international markets. The Index continued its recovery from earlier weakness, reaching new highs during the quarter. The difference in performance largely reflected sector composition, with international markets benefiting from strong returns in technology and AI-related companies, while the NZ market remains more concentrated in defensive and income-oriented sectors.

The Reserve Bank of New Zealand (RBNZ) left the Official Cash Rate (OCR) unchanged at 2.25% during the quarter, maintaining a cautious approach as inflation continued to moderate while global uncertainty remained. The future path of interest rates remained a key focus for investors.

New Zealand fixed income markets delivered solid positive returns over the quarter, supported by falling bond yields and continued investor demand for domestic fixed income. Government bonds returned 3.2%, outperforming corporate bonds, which returned 2.5%. The decline in yields provided support for longer-duration securities, while corporate bonds continued to benefit from attractive income returns and stable credit conditions.

Across the Tasman, Australian equities delivered positive returns over the quarter, with the S&P/ASX 200 Index rising 4.0% (in local currency terms). Financial stocks were among the strongest contributors, supported by resilient earnings and stable credit conditions. However, Australia's greater exposure to resources and financials meant it participated less in the technology and AI-led rally that drove many global markets. The Reserve Bank of Australia left its cash rate unchanged at 4.35% during the quarter as inflation continued to moderate while economic growth remained resilient.

The New Zealand Trade-Weighted Index declined 0.6% over the quarter, with the New Zealand dollar weakening against most major currencies, particularly the US dollar and Australian dollar. The weaker NZ dollar supported returns for investors with unhedged international exposure.

Outlook

Looking ahead to the second half of 2026, the focus for markets will remain on the strength of economic growth, the outlook for inflation and the direction of interest rates. Despite ongoing geopolitical uncertainty, sentiment has improved as concerns around the Middle East conflict and energy prices have eased. Resilient economic activity and company earnings have supported markets, although the outlook remains dependent on how these factors develop. A diversified portfolio and disciplined long-term investment approach remain important in navigating different market environments.

How have the Funds performed?

	Qtr	Year	Inception
Cash Fund	0.71%	3.19%	2.81%
Defensive Fund	3.23%	6.37%	3.79%
Conservative Portfolio	4.65%	8.71%	4.88%
Moderate Portfolio	6.06%	11.04%	5.98%
Balanced Fund	7.00%	12.59%	6.71%
Balanced Growth Portfolio	8.02%	14.28%	7.39%
Growth Fund	9.04%	15.96%	8.07%

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.

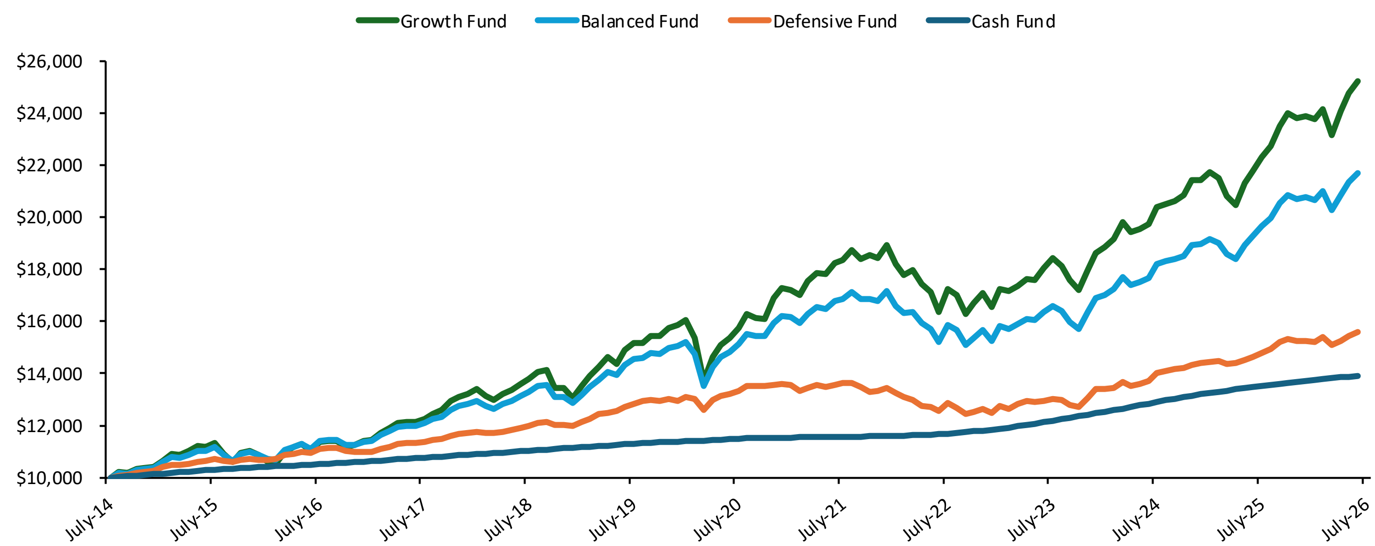
Commentary on performance

Global financial markets delivered positive returns over the quarter ended 30 June despite ongoing geopolitical risks, changing inflation expectations and uncertainty around interest rates. As concerns around oil prices and global growth eased, investor confidence improved and equity markets recovered.

All diversified Funds recorded positive returns over the quarter, while one-year performance remained strong across the range. Growth assets were the primary driver of returns, supported by strong global equity market performance. Resilient company earnings, improving investor sentiment and continued investment in artificial intelligence infrastructure contributed to gains, while New Zealand equities also performed well and reached new highs during the quarter.

Funds with higher exposure to growth assets benefited most from the recovery in equity markets, while Defensive and Conservative Funds also performed positively, supported by their investments in bonds and cash. Fixed income markets generated positive returns over the quarter as bond markets stabilised. The Cash Fund remained stable through the period, returning 0.7% for the quarter, similar to the previous quarter.

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?

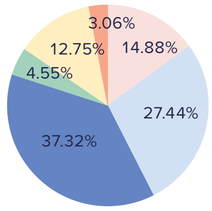
Cash Fund

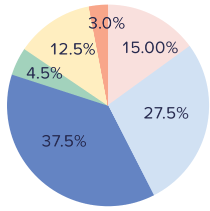
Actual Investment Mix	Target Investment Mix

ASSETS		ASSETS	
GROWTH 0.00%	INCOME 100.00%	GROWTH 0.00%	INCOME 100.00%

Defensive Fund

Actual Investment Mix	Target Investment Mix

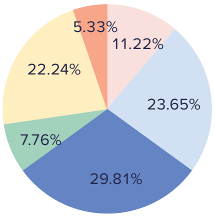


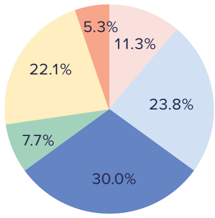


ASSETS		ASSETS	
GROWTH 20.36%	INCOME 79.64%	GROWTH 20.00%	INCOME 80.00%

Conservative Portfolio

Actual Investment Mix	Target Investment Mix

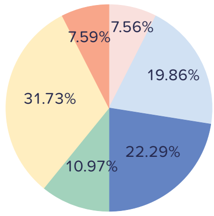


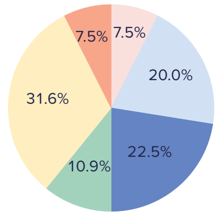


ASSETS		ASSETS	
GROWTH 35.32%	INCOME 64.68%	GROWTH 35%	INCOME 65.00%

Moderate Portfolio

Actual Investment Mix	Target Investment Mix

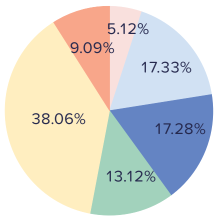


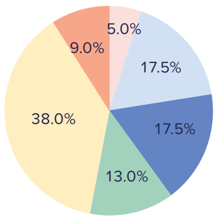


ASSETS		ASSETS	
GROWTH 50.29%	INCOME 49.71%	GROWTH 50.00%	INCOME 50.00%

Balanced Fund

Actual Investment Mix	Target Investment Mix

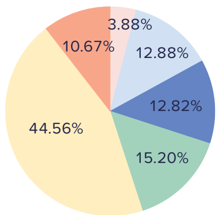


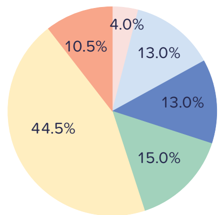


ASSETS		ASSETS	
GROWTH 60.27%	INCOME 39.73%	GROWTH 60.00%	INCOME 40.00%

Balanced Growth Portfolio

Actual Investment Mix	Target Investment Mix

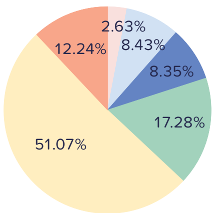


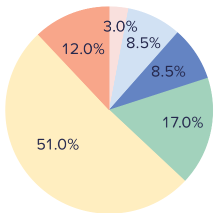


ASSETS		ASSETS	
GROWTH 70.43%	INCOME 29.57%	GROWTH 70.00%	INCOME 30.00%

Growth Fund

Actual Investment Mix	Target Investment Mix





ASSETS		ASSETS	
GROWTH 80.59%	INCOME 19.41%	GROWTH 80.00%	INCOME 20.00%

Key

- Cash
- NZ Bonds
- Global Fixed Interest
- NZ Shares
- Global Shares
- Global Listed Infrastructure

Top 10 holdings

Income Assets

NZ CASH		
ISSUER	**CREDIT RATING**	**WEIGHTING**
Bank of New Zealand	AA-	20.89%
Westpac NZ Limited	AA-	18.86%
Kiwibank Limited	A+	18.21%
ASB Bank Limited	AA-	17.28%
Rabobank NZ Limited	A+	4.81%
NZ Local Government Funding Agency Ltd	AAA	4.32%
MUFG Bank, LTD	A	3.31%
Industrial and Commercial Bank of China NZ Limited	A	3.08%
BNP PARIBAS SA	A+	1.88%
Bank of China (NZ) Limited	A	1.80%
Top 10 Issuers		94.44%

NZ BONDS		
ISSUER	**CREDIT RATING**	**WEIGHTING**
New Zealand Government	AA+	34.91%
NZ Local Government Funding Agency Ltd	AAA	23.90%
Housing New Zealand Ltd	AAA	6.93%
Bank of New Zealand	AA-	4.79%
Westpac NZ Limited	AA-	3.94%
ASB Bank NZ Limited	AA-	3.57%
Kiwibank Limited	A+	2.94%
ANZ Bank New Zealand Ltd	AA-	1.71%
Auckland International Airport	A-	1.67%
Auckland Regional Council	AA	1.67%
Top 10 Issuers		86.03%

GLOBAL BONDS	
COMPANY	**WEIGHTING**
US Treasury N/B Issuers	51.2.%
Government of France	6.50%
United Kingdom Gilt	6.30%
Buonui Poliennali Del Tes	5.80%
Japan (10 year issue)	5.40%
Japan (20 year issue)	4.30%
Bonos Y Oblig Del Estado	3.90%
Bundesrepub. Deutschland	3.80%
Japan (30 year issue)	2.20%
Japan (5 year issue)	2.00%
Top 10 Issuers	40.20%

Growth Assets

NZ SHARES		
COMPANY	**COUNTRY**	**WEIGHTING**
Fisher & Paykel Healthcare Corporation Limited	New Zealand	16.40%
Infratil Ltd	New Zealand	11.04%
Auckland Intl Airport Ltd	New Zealand	10.16%
Contact Energy Ltd	New Zealand	6.85%
Meridian Energy Ltd	New Zealand	5.39%
a2 Milk Co Ltd	New Zealand	4.75%
Mainfreight Limited	New Zealand	3.67%
Mercury NZ Limited	New Zealand	3.43%
Chorus Limited	New Zealand	3.11%
EBOS Group Ltd	New Zealand	3.08%
Top 10 Holdings		67.88%

GLOBAL SHARES	
COMPANY	**WEIGHTING**
Nvidia Corp	5.30%
Apple Inc	4.90%
Alphabet Inc	4.30%
Microsoft Corp	3.00%
Amazon.Com Inc	2.70%
Broadcom Inc	2.00%
Micron Technology Inc	1.50%
Meta Platforms Inc	1.40%
Tesla Inc	1.40%
Eli Lilly & Co	1.10%
Top 10 Holdings	27.60%

GLOBAL LISTED INFRASTRUCTURE	
COMPANY	**WEIGHTING**
Aena SME SA	6.1.%
Transurban Group	5.90%
NextEra Energy Inc	5.60%
Union Pacific Corp	4.80%
Southern Company	3.80%
Duke Energy Corp	3.50%
National Grid PLC	2.90%
American Electric Power Co Inc	2.60%
CSX Corp	2.60%
Auckland International Airport Ltd	2.40%
Top 10 Holdings	34.10%

Key personnel

Position	Chief Executive Officer	General Manager Investments	Senior Portfolio Manager
Name	Glenys Talivai	Amanda Livingstone	Nick Combs
Time in position	6 years, 6 months	2 years, 10 months	2 years, 6 months
Previous Position	General Manager	Head of Investments	Head of Investment Management
Time in previous position	5 years, 2 months	1 year, 5 months	2 years, 8 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 on our website at www.publictrust.co.nz/products-and-services/investing

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