

Public Trust Investment Service

Diversified Funds and Cash Fund
Quarterly Update

30 September 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.

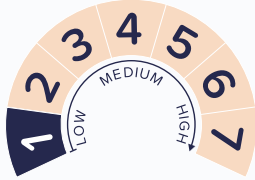
The Funds are not open to members of the public.

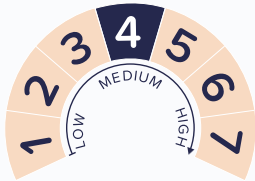
Any reference to us, we or our, refers to Public Trust.

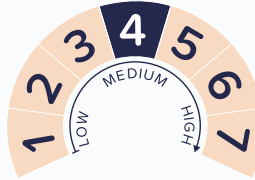


Description of the funds

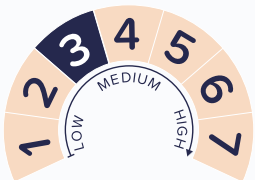
There are six diversified investment options made up of three funds and three portfolios (Diversified Funds) and a single sector Cash Fund. The Funds referred to in this Quarterly Update are used by Public Trust as investment options where it is acting as trustee or co-trustee of an estate or trust, 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.

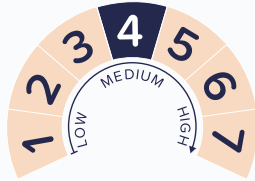
Cash Fund	
<p>Aims to produce low risk returns by investing in short-term bank deposits and fixed interest securities.</p>  <p>Risk indicator</p>	
Total value of the Fund	\$260.2m
Unit price (redemption)	1.0729
Fund start date	28 July 2014

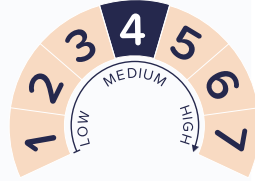
Moderate Portfolio	
<p>Aims to produce moderate capital growth with moderate risk over the medium-term by investing 25% in the Defensive Fund and 75% in the Balanced Fund.</p>  <p>Risk indicator</p>	
Portfolio start date	28 July 2014

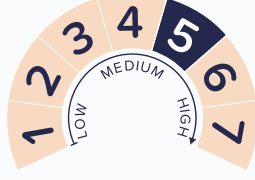
Balanced Fund	
<p>Aims to produce long-term capital growth with medium levels of risk by investing 60% in diversified growth assets (shares and listed property) and 40% in diversified income assets (cash and bonds).</p>  <p>Risk indicator</p>	
Total value of the Fund	\$399.4m
Unit price (redemption)	1.6656
Fund start date	24 July 2014

Diversified Funds

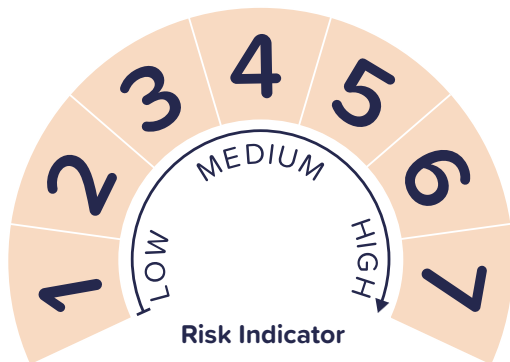
Defensive Fund	
<p>Aims to produce stable returns with low capital growth and low risk over the medium-term by investing 80% in diversified income assets (cash and bonds) and 20% in diversified growth assets (shares and listed property).</p>  <p>Risk indicator</p>	
Total value of the Fund	\$239.1m
Unit price (redemption)	1.2222
Fund start date	28 July 2014

Balanced Growth Portfolio	
<p>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.</p>  <p>Risk indicator</p>	
Portfolio start date	28 July 2014

Conservative Portfolio	
<p>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.</p>  <p>Risk indicator</p>	
Portfolio start date	28 July 2014

Growth Fund	
<p>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).</p>  <p>Risk indicator</p>	
Total value of the Fund	\$30.6m
Unit price (redemption)	1.8913
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 September 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 \$1,165 (that is 11.65% of his initial \$10,000). Bob did not pay any other charges. This gives Bob a total return prior to tax of \$1,165 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	5.80%	7.70%	New Zealand cash	0.90%	4.10%
Australian shares (Local)	4.70%	10.60%	New Zealand bonds	3.00%	5.90%
Global shares (Unhedged)	12.50%	28.50%	Global bonds	0.90%	2.10%
Global shares (Local)	8.00%	17.00%	NZD/USD	-4.30%	-8.70%
New Zealand property	14.60%	4.90%	NZD - TWI	-4.30%	-7.30%

Review of markets over the Third Quarter of 2025

Global markets delivered strong gains in the third quarter, supported by progress on US trade deals, resilient corporate earnings, and major central banks lowering interest rates. The MSCI All Country World Index rose 8% in local currency terms, with emerging markets (+12.2%) and Japan (+10.4%) leading the way. Global bonds also performed positively, with the Bloomberg Global Aggregate Index up 0.9% in NZD terms as falling interest rate expectations supported returns.

In New Zealand, the S&P/NZX 50 returned 5.8%, a solid gain despite weaker domestic growth, including a 0.9% contraction in Q2 Gross Domestic Product (GDP). Interest sensitive sectors performed strongly, with NZ listed property leading (+14.6%) and NZ fixed income delivering solid returns (A-Grade Corporate Bonds +2.9%, Government Bonds +3.2%), supported by Reserve Bank of New Zealand (RBNZ) rate cuts of 0.25% in August and 0.50% in October. Across the Tasman, Australian equities rose 4.7% (S&P/ASX 200), while the Reserve Bank of Australia (RBA) maintained rates at 3.6%, with a stronger Australian dollar boosting returns for New Zealand investors holding unhedged assets.

Looking ahead, markets are likely to face a mix of challenges and opportunities as global trade tensions, policy shifts, and geopolitical uncertainty continue to shape the environment. That said, lower interest rates should continue to ease financial conditions for households and businesses supporting economic activity and growth, though volatility and uncertainty are likely to stay elevated. Maintaining a diversified portfolio and a long-term perspective is essential.

Global markets

The third quarter delivered strong gains, with global financial markets rising broadly despite political uncertainty, uneven economic data, and continued trade tensions. Confidence was underpinned by several major drivers including central banks signalling a return to easier policy settings, solid corporate earnings, and sustained enthusiasm for artificial intelligence investment, which lifted major indices to record levels. The MSCI All Country World Index was up 8% for the quarter (in local currency terms).

US markets continued to climb through the quarter, lifted by strong earnings results, lower interest rates, and a resilient economy. Technology and communication services equities led the way, with most sectors participating in the broad rally. The S&P 500 Index rose 8%, setting new record highs.

In September, the Federal Reserve cut interest rates by 0.25% to 4.0%-4.25%, its first reduction since December. The move was described as “risk management,” reflecting early signs of labour market weakness and moderate inflation, despite concerns over tariffs. The Fed also indicated that further easing is likely later this year. The US economy grew strongly in Q2 (3.8% annualized), while unemployment rose slightly to 4.3% and consumer price inflation remained moderate at 2.9%, supporting the Fed’s decision and helping underpin US equity markets.

In local currency terms, equities in Japan (+10.4%), the UK (+7.8%) and Europe (+3.9%) advanced over the quarter, supported by easing central bank policy, signs of economic improvement, and easing trade tensions. Emerging markets were a standout, rising +12.2% and outperforming all major indices. For unhedged New Zealand investors, returns were further boosted by a weaker NZ dollar and a stronger USD.

Japanese equities posted strong gains, with both the TOPIX and Nikkei 225 indices, reaching record highs. Outperformance was driven by stronger than expected economic growth, easing inflation, and a US-Japan trade deal reducing tariffs.

UK equities delivered strong returns, with the FTSE 100 posting its best quarter since late 2022. Gains were supported by a resilient global economy, a weaker pound, and strong performance in technology, communication services, and basic materials. The Bank of England's rate cut and slower quantitative tightening also provided support.

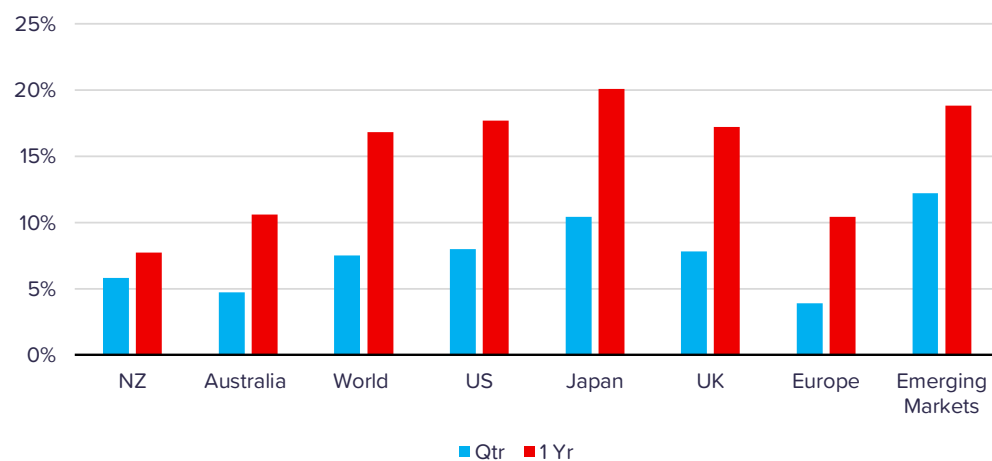
European equities rose over the quarter, with the MSCI Europe Index up 3.9%, supported by improving economic data and a US-EU trade deal reducing tariffs. The European Central Bank held rates at 2% and revised growth forecasts higher. Performance was mixed regionally, with Germany lagging while French equities advanced despite political uncertainty. Overall, European equities underperformed other major markets during the quarter.

Emerging market equities outperformed all major markets in the quarter, with the MSCI EM Index rising 12.2%, driven by China, Taiwan, and Korea. Gains were supported by a weaker U.S. dollar, progress in US-China trade talks, and ongoing investor enthusiasm for AI. Materials and communication services were the strongest sectors, while financials and energy delivered modest gains.

Turning to fixed income, global bonds also performed positively, with the Bloomberg Global Aggregate Index rising 0.9% in New Zealand dollar terms. Bond markets benefited from falling interest rate expectations, with yields generally declining and prices rising.

Global equity returns (in local currency terms)

As at 30 September 2025



New Zealand

The New Zealand equity market delivered a 5.8% return in the quarter, lagging most other markets despite this being a solid result. Softer economic conditions weighed on confidence with figures confirming a 0.9% contraction in GDP for the June quarter, keeping annual growth in negative territory. Monetary policy in New Zealand has shifted more aggressively than in many other markets, with the Reserve Bank of New Zealand delivering two 0.25% cuts in July and August, taking the policy rate to 3.0% by quarter end.

Across the Tasman, the S&P ASX200 Index returned 4.7% in local currency terms, led by materials and utilities, while healthcare and IT lagged. The Reserve Bank of Australia kept interest rates steady at 3.6% amid elevated inflation, signalling that further cuts are unlikely for now. The Australian dollar gained significantly against the NZD, boosting returns for New Zealand investors.

Interest sensitive sectors performed strongly, with New Zealand listed property leading the way and delivering double-digit gains (+14.6%). Lower interest rates and attractive income yields boosted sentiment, despite ongoing domestic economic challenges, including weak growth and subdued business confidence.

NZ fixed income also performed well as falling yields supported returns. The RBNZ cut the OCR by 0.25% in August and a further 0.50% in October, reflecting persistent economic headwinds. The S&P/NZX A-Grade Corporate Bond Index rose 2.9%, while the NZ Government Bond Index gained 3.2%.

In foreign exchange markets, the New Zealand dollar fell 4.3% against the US dollar over the quarter and the equivalent on a trade-weighted basis. A significantly stronger US dollar boosted reported returns for NZ investors holding unhedged foreign assets.

Outlook

Looking ahead, markets are likely to face a mix of challenges and opportunities as global trade tensions, policy shifts, and geopolitical uncertainty continue to shape the environment. That said, lower interest rates should continue to ease financial conditions for households and businesses, supporting economic activity and growth, though volatility and uncertainty are likely to stay elevated. Maintaining a diversified portfolio and a long-term perspective is essential.

How have the Funds performed?

	Qtr	Year	Inception
Cash Fund	0.93%	4.48%	2.80%
Defensive Fund	3.71%	7.08%	3.81%
Conservative Portfolio	4.78%	8.79%	4.87%
Moderate Portfolio	5.86%	10.50%	5.94%
Balanced Fund	6.58%	11.65%	6.65%
Balanced Growth Portfolio	7.31%	12.84%	7.30%
Growth Fund	8.04%	14.04%	7.95%

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.

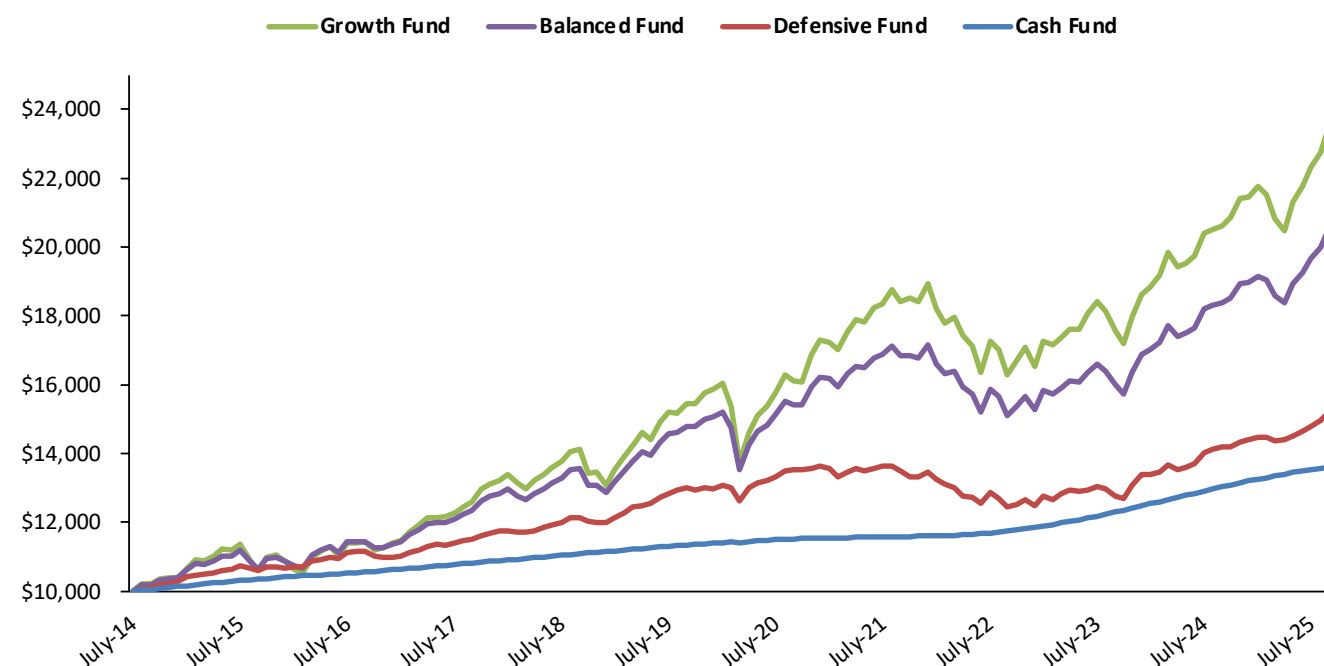
Commentary on performance

Global markets delivered robust returns in the third quarter, driven by progress on US trade deals, a strong technology sector, and accommodative monetary policy, which together boosted investor risk appetite. While US equities and emerging markets led gains, performance across New Zealand and other global markets trailed, though still solid. Local interest rate cuts supported New Zealand listed property, a top performer, while a weaker NZ dollar and stronger US dollar lifted unhedged returns on international equities.

All diversified funds finished the quarter with positive returns, capping a strong full-year performance. Defensive and Conservative funds benefited from higher allocations to fixed income. Growth oriented funds performed well, supported by strong gains across New Zealand and global equities, as well as NZ listed property. The Cash Fund was slightly down on the previous quarter, pressured by falling interest rates, returning 0.93% for the quarter.

Growth of a \$10,000 investment

Value of the investment

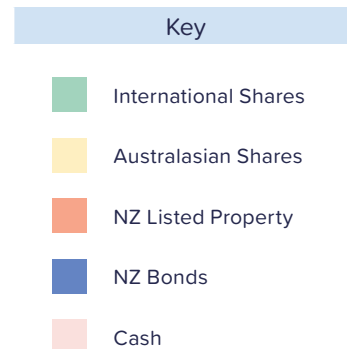
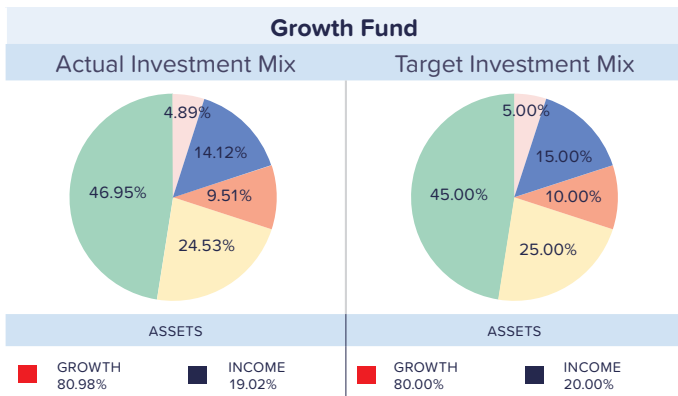
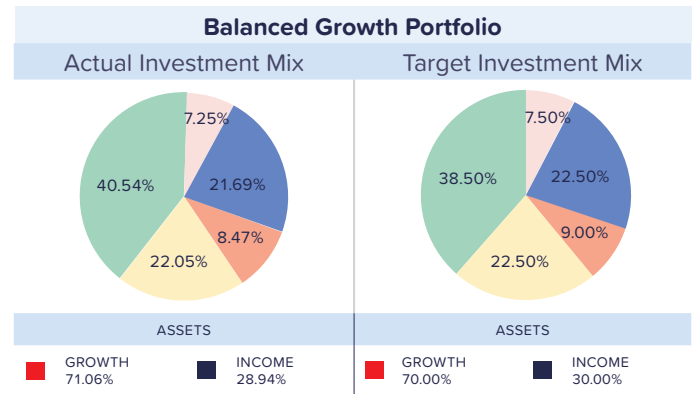
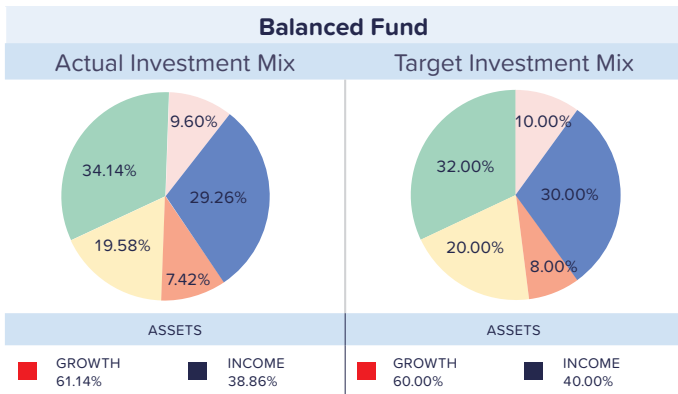
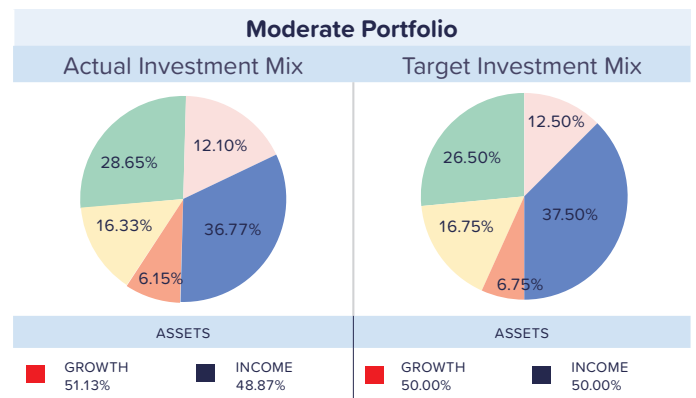
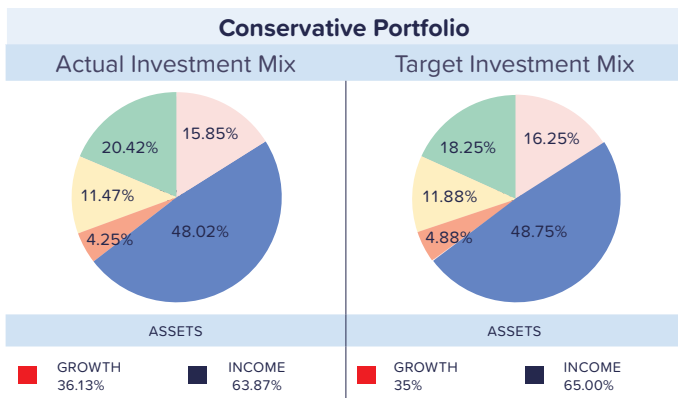
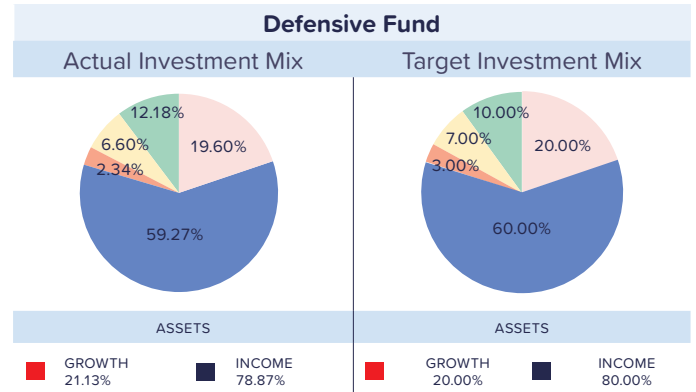
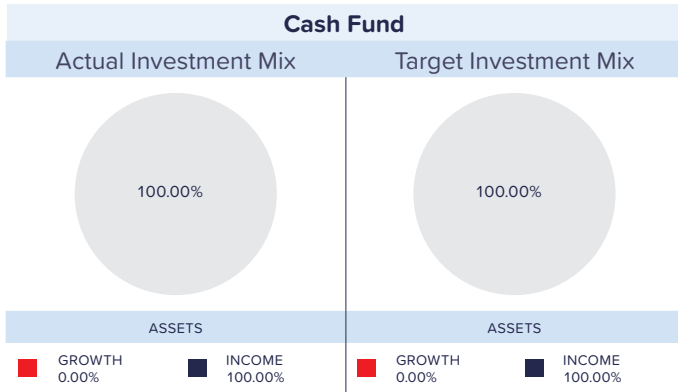


Assumes standard management fees, reinvestment of distributions and zero tax rate.

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?



Top 10 holdings

GROWTH ASSETS

INTERNATIONAL SHARES		
COMPANY	COUNTRY	WEIGHTING
Nvidia	United States	5.04%
Apple	United States	4.21%
Microsoft Corp	United States	4.05%
Amazon.com	United States	2.32%
Meta Platforms A	United States	1.77%
Broadcom	United States	1.63%
Alphabet A	United States	1.57%
Tesla	United States	1.43%
Alphabet C	United States	1.33%
Taiwan Semiconductor MFG	Taiwan	1.17%
Top 10 Issuers		24.52%

AUSTRALASIAN SHARES		
COMPANY	COUNTRY	WEIGHTING
Fisher & Paykel Healthcare Corporation Limited	New Zealand	12.00%
Auckland Intl Airport Ltd	New Zealand	7.35%
Infratil Ltd	New Zealand	6.68%
Contact Energy Ltd	New Zealand	4.51%
a2 Milk Co Ltd	New Zealand	3.98%
Meridian Energy Ltd	New Zealand	3.94%
EBOS Group Ltd	New Zealand	3.34%
Mainfreight Limited	New Zealand	2.87%
Mercury NZ Limited	New Zealand	2.54%
Commonwealth Bank of Australia	Australia	2.52%
Top 10 Issuers		49.73%

NZ LISTED PROPERTY		
COMPANY	COUNTRY	WEIGHTING
Goodman Property Trust	New Zealand	20.33%
Precinct Properties New Zealand & Precinct Properties Investments Ltd	New Zealand	19.12%
Kiwi Property Group Limited	New Zealand	15.76%
Property for Industry Ltd	New Zealand	11.32%
Vital Healthcare Property Trust	New Zealand	9.91%
Argosy Property Ltd	New Zealand	9.86%
Stride Stapled Group	New Zealand	7.05%
Investore Property Limited	New Zealand	3.49%
New Zealand Rural Land Company Ltd	New Zealand	1.19%
Winton Land Ltd	New Zealand	0.78%
Top 10 Issuers		98.81%

INCOME ASSETS

NZ CASH		
ISSUER	CREDIT RATING	WEIGHTING
Kiwibank Limited	A+	21.88%
Bank of New Zealand	AA-	19.70%
ASB Bank Limited	AA-	14.48%
MUFG Bank, Ltd	A	11.83%
Westpac NZ Limited	AA-	10.29%
Rabobank NZ Limited	A+	4.05%
ANZ Bank NZ Limited	AA-	3.24%
Toyota Finance New Zealand Ltd	A+	2.54%
Meridian Energy	BBB+	2.41%
Auckland International Airport Ltd	A-	1.77%
Top 10 Issuers		92.19%

NZ BONDS		
ISSUER	CREDIT RATING	WEIGHTING
New Zealand Government	AAA	35.23%
NZ Local Government Funding Agency Ltd	AAA	24.63%
Housing New Zealand Ltd	AAA	7.06%
Bank of New Zealand	AA-	4.80%
ASB Bank NZ Limited	AA-	4.30%
Westpac NZ Limited	AA-	3.44%
Kiwibank Limited	A+	2.91%
ANZ Bank New Zealand Ltd	AA-	1.81%
Auckland Regional Council	AA	1.74%
Auckland International Airport	A-	1.46%
Top 10 Issuers		87.37%

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, 11 months	1 year, 2 months	2 years, 5 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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