Public Trust Investment Service

Diversified Funds and Cash Fund Quarterly Update

30 September 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.

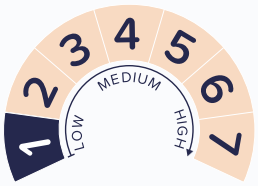
Public Trust

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.

Cash Fund

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

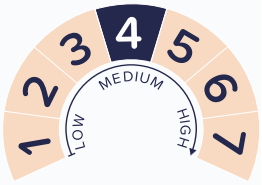


Risk indicator

Total value of the Fund	$247.5m
Unit price (redemption)	1.0708
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 infrastructure) and 40% in diversified income assets (cash and bonds).



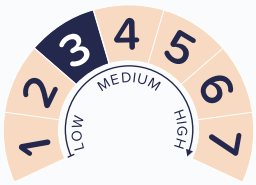
Risk indicator

Total value of the Fund	$435.4m
Unit price (redemption)	1.7201
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 infrastructure).

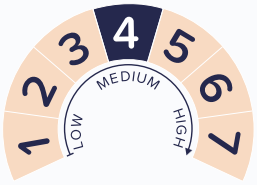


Risk indicator

Total value of the Fund	$270.7m
Unit price (redemption)	1.2067
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.

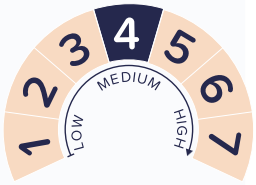


Risk indicator

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.

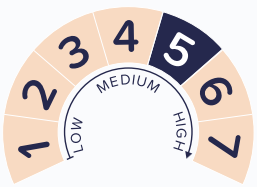


Risk indicator

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 infrastructure) and 20% in diversified income assets (cash and bonds).

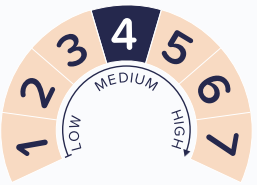


Risk indicator

Total value of the Fund	$30.4m
Unit price (redemption)	2.0038
Fund start date	28 July 2014

Moderate Portfolio

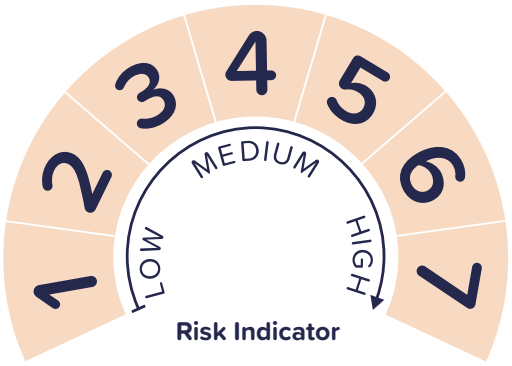
Aims to produce moderate capital growth with moderate risk over the medium-term by investing 25% in the Defensive Fund and 75% in the Balanced Fund.



Risk indicator

Portfolio 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 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 $495 (that is 4.95% of his initial $10,000). Bob did not pay any other charges. This gives Bob a total return prior to tax of $495 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	1.90%	4.80%
World Shares (Local)	1.30%	2.70%
World Shares (Unhedged)	2.40%	20.10%
Global Listed Infrastrucutre	-7.00%	3.40%

	Returns	
	Quarter	Year
New Zealand cash	0.60%	2.60%
New Zealand bonds	-2.00%	0.10%
Global bonds	-2.90%	-2.10%
NZD - TWI	-2.20%	-3.80%

Review of markets over the Third Quarter of 2026

The three months ended 30 September 2026 were defined by a sharp repricing of global interest rate expectations. Persistent inflation driven by rising energy prices following attacks on Saudi Arabia's oil infrastructure disrupted Middle East supply, pushed the Brent crude spot price to around US$110 per barrel in September.

The US Federal Reserve responded by raising the federal funds target range to 3.75%–4.00% at its September meeting. In New Zealand, the Reserve Bank (RBNZ) raised the Official Cash Rate (OCR) twice during the quarter to 2.75%, following annual consumer price index (CPI) inflation of 4.1% in the June quarter, with rising fuel costs the dominant driver.

Against this backdrop, global bond yields surged, the US 10-year Treasury yield rising to 5.27% by quarter-end. Rate-sensitive asset classes came under pressure, while equity markets proved more resilient, supported by continued artificial intelligence (AI) driven earnings growth in technology.

The outlook for markets will continue to be shaped by developments in economic growth, inflation, and direction of interest rates. Resilient global economic activity and corporate earnings, supported by continued investment in artificial intelligence and fiscal spending, have provided a positive backdrop for international markets. In New Zealand, business surveys point to improving economic conditions. However, geopolitical uncertainty and higher energy prices may add to inflationary pressures, potentially keeping interest rates higher and weighing on economic activity. Diversification and a disciplined long-term investment approach remain important in navigating changing market conditions.

Global shares

Overseas shares, as measured by the MSCI World Index (in local currency), gained 1.8% over the three months ended 30 September 2026. Strong corporate earnings from US listed companies, particularly in the technology and communication services sectors exposed to artificial intelligence capital expenditure, provided the primary support. Japan was a notable outperformer: the MSCI Japan Index rose 2.4% in yen terms as strong earnings results, supported by the yen's weakness against the US dollar, boosted exporters. Co-ordinated intervention by Japan and the US later supported the currency. Europe lagged, with fiscal concerns in France contributing to bond market volatility that spilled into shares. The quarter illustrated that AI-driven earnings growth is holding equity markets aloft even as higher bond yields lift the hurdle rate on future cash flows.

Global listed infrastructure

Listed infrastructure shares, as measured by the FTSE Global Core Infrastructure 50/50 Index (hedged to NZD), fell 7.0% over the three months ended 30 September 2026. The asset class bore the brunt of rising bond yields. With utilities and other infrastructure sub-sectors comprising a large part of the benchmark, the interest-rate sensitivity of their long-duration cash flows is significant. Oil price volatility added a second headwind as surging crude prices raised operating costs across the energy sub-sector, while also feeding the inflationary dynamic that prompted central banks to tighten. Higher capital expenditure requirements for energy transition and AI-related power grid investment, while positive for long-term revenue potential, compressed near-term free cash flow for some utilities. Despite the sharp quarterly loss, the fundamental case for infrastructure (long-term contracted revenues with inflation linkages) remained intact, and the drawdown reflected rate re-pricing rather than a perceived deterioration in underlying asset quality.

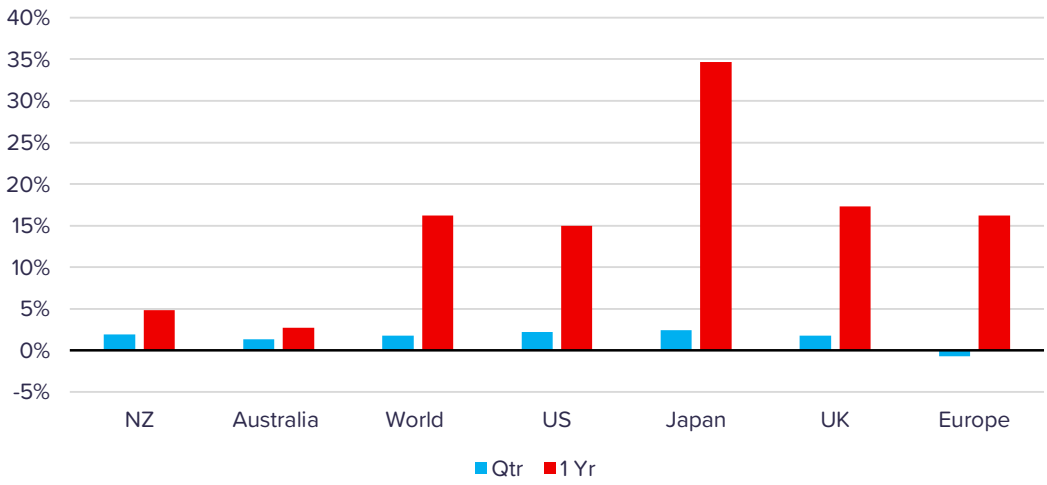
Global bonds

Global sovereign bonds, as measured by the JP Morgan Global Government Bond Index (Hedged), fell 3.2% over the three months ended 30 September 2026. Rising

yields were the dominant force: the Federal Reserve's September rate increase to a target range of 3.75%–4.00%, and persistent inflation driven by the Middle East energy shock, pushed the US 10-year Treasury yield higher. This drove mark-to-market losses across sovereign bonds but also investment-grade corporate bonds. European government bonds faced additional pressure from fiscal concerns, particularly in France, where debt sustainability worries drove spread widening. Corporate credit spreads were relatively stable as healthy earnings provided an offset. As a result, the Bloomberg Global Aggregate Index returned -2.9%, modestly outperforming global sovereign bonds.

Global equity returns (in local currency terms)

As at 30 September 2026



New Zealand shares

New Zealand shares, as measured by the S&P/NZX 50 Index with Imputation Credits, gained 1.9% over the three months ended 30 September 2026. A genuine domestic recovery lent support: Gross Domestic Product continued to rise, with the June 2026 quarter activity reaching 1.7% annualised and up from 0.9% the quarter before. The BNZ-BusinessNZ Performance of Manufacturing Index remained in expansion at 53.1 in August, while the Performance of Services Index reached 51.2, its highest reading since September 2023. However, with three of five sub-indices still below 50, the services sector recovery remained fragile. The RBNZ's resumption of interest rate hikes weighed on growth-oriented and longer-duration stocks, whose valuations are most sensitive to interest rates.

New Zealand bonds

New Zealand sovereign and corporate bonds, as measured by the S&P/NZX New Zealand Government Bond Index and S&P/NZX A-Grade Corporate Bond Index, fell 2.6% and 1.1%, respectively, over the three months ended 30 September 2026.

The primary driver was the RBNZ's resumption of its hiking cycle: two 25-basis-point increases during the quarter brought the OCR to 2.75%, reflecting the Monetary Policy Committee's concern that annual CPI inflation of 4.1%, though significantly fuel-driven, risked feeding through into broader price expectations. New Zealand 10-year government bond yields surged in response, climbing above 5.00%. The pace of further OCR increases will be the key determinant of short-end New Zealand yields while longer-end yields will also remain sensitive to global rate developments and the scale of government borrowing.

Outlook

The outlook for markets will continue to be shaped by developments in economic growth, inflation, and direction of interest rates. Resilient global economic activity and corporate earnings, supported by continued investment in artificial intelligence and fiscal spending, have provided a positive backdrop for international markets. In New Zealand, business surveys point to improving economic conditions. However, geopolitical uncertainty and higher energy prices may add to inflationary pressures, potentially keeping interest rates higher and weighing on economic activity. Diversification and a disciplined long-term investment approach remain important in navigating changing market conditions.

How have the Funds performed?

	Qtr	Year	Inception
Cash Fund	0.75%	3.01%	2.81%
Defensive Fund	-1.68%	0.85%	3.56%
Conservative Portfolio	-1.30%	2.38%	4.67%
Moderate Portfolio	-0.92%	3.92%	5.77%
Balanced Fund	-0.66%	4.95%	6.51%
Balanced Growth Portfolio	-0.39%	6.07%	7.20%
Growth Fund	-0.12%	7.20%	7.89%

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.

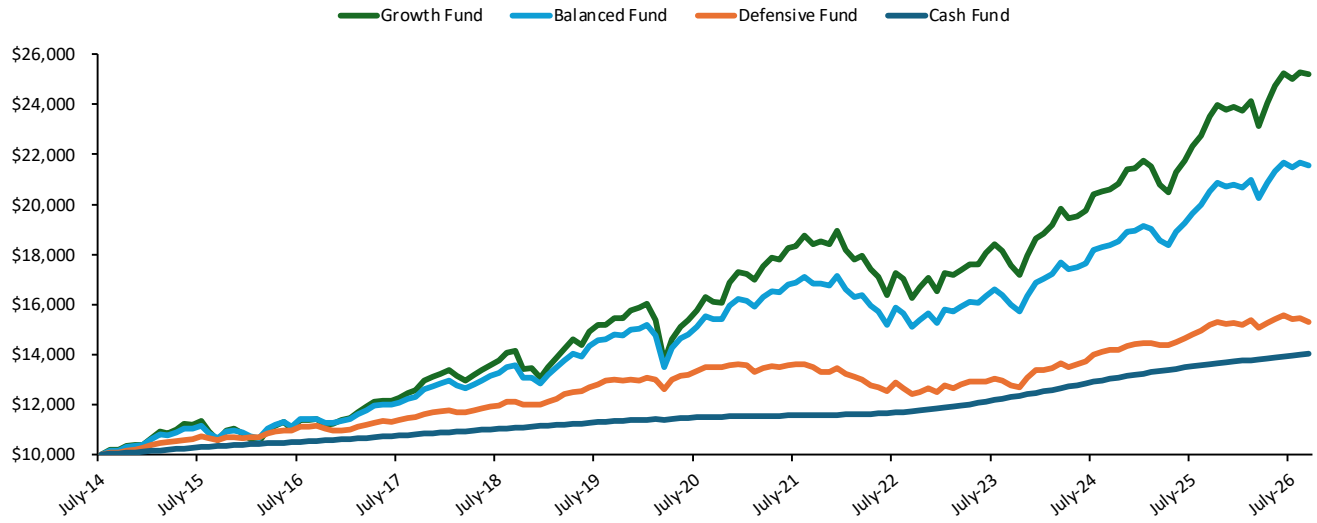
Commentary on performance

Global financial markets delivered mixed returns over the quarter ended 30 September. A sharp repricing of global interest rates, persistent inflation and higher oil prices following increased conflict in the Middle East weighed on interest rate sensitive asset classes, while share markets proved more resilient.

New Zealand and global bonds came under pressure as bond yields rose, while global listed infrastructure also declined, reflecting its sensitivity to interest rates. In contrast, global and New Zealand equities delivered positive returns overall, supporting performance despite market volatility.

All diversified Funds recorded negative returns over the quarter, although one-year performance remained positive. Funds with higher exposure to growth assets benefited from resilient equity markets, while the Defensive and Conservative Funds were pressured by rising bond yields which put downward pressure on bond prices. The Cash Fund increased over the period, reflecting the prevailing interest rate environment, and returned 0.75% 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?

Cash Fund

Actual Investment Mix

ASSETS

GROWTH 0.00% | INCOME 100.00%

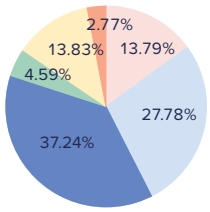
Target Investment Mix

ASSETS

GROWTH 0.00% | INCOME 100.00%

Defensive Fund

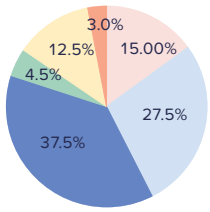
Actual Investment Mix



ASSETS

GROWTH 21.19% | INCOME 78.81%

Target Investment Mix

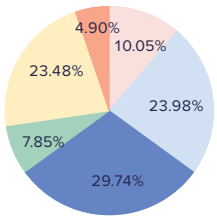


ASSETS

GROWTH 20.00% | INCOME 80.00%

Conservative Portfolio

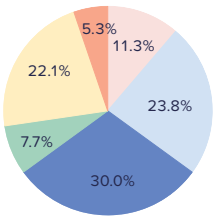
Actual Investment Mix



ASSETS

GROWTH 36.23% | INCOME 63.77%

Target Investment Mix

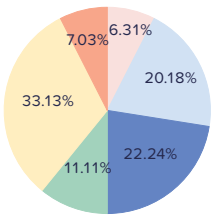


ASSETS

GROWTH 35% | INCOME 65.00%

Moderate Portfolio

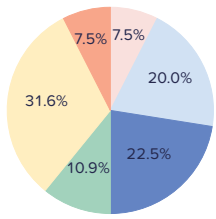
Actual Investment Mix



ASSETS

GROWTH 51.27% | INCOME 48.73%

Target Investment Mix

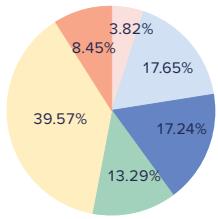


ASSETS

GROWTH 50.00% | INCOME 50.00%

Balanced Fund

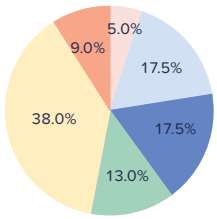
Actual Investment Mix



ASSETS

GROWTH 61.30% | INCOME 38.70%

Target Investment Mix

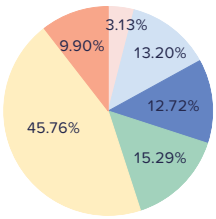


ASSETS

GROWTH 60.00% | INCOME 40.00%

Balanced Growth Portfolio

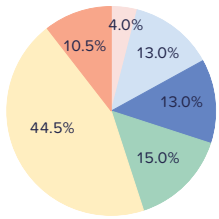
Actual Investment Mix



ASSETS

GROWTH 70.95% | INCOME 29.05%

Target Investment Mix

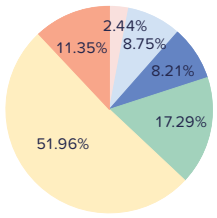


ASSETS

GROWTH 70.00% | INCOME 30.00%

Growth Fund

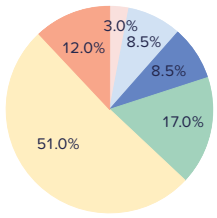
Actual Investment Mix



ASSETS

GROWTH 80.60% | INCOME 19.40%

Target Investment Mix



ASSETS

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
Kiwibank Limited	A+	21.11%
Bank of New Zealand	AA-	20.84%
ASB Bank Limited	AA-	18.99%
Westpac NZ Limited	AA-	14.49%
Rabobank NZ Limited	A+	5.09%
MUFG Bank Limited	A	3.53%
Port of Tauranga Limited	A-	2.08%
Bank of China (NZ) Limited	A	1.93%
Industrial and Commercial Bank of China NZ Limited	A	1.91%
NZ Post	BBB+	1.61%
Top 10 Issuers		91.58%

NZ BONDS

ISSUER	CREDIT RATING	WEIGHTING
New Zealand Government	AA+	34.67%
NZ Local Government Funding Agency Limited	AAA	22.42%
Housing New Zealand Limited	AAA	6.82%
Bank of New Zealand	AA-	6.38%
Westpac NZ Limited	AA-	4.93%
Kiwibank Limited	A+	4.11%
ASB Bank NZ Limited	AA-	3.46%
ANZ Bank New Zealand Limited	AA-	1.68%
Auckland International Airport	A-	1.67%
Auckland Regional Council	AA	1.39%
Top 10 Issuers		87.53%

GLOBAL BONDS

COMPANY	WEIGHTING
US Treasury N/B Issues	51.90%
Government of France	6.31%
United Kingdom Gilt	6.24%
Buoni Poliennali Del Tes	5.65%
Japan (10 year issue)	5.23%
Japan (20 year issue)	4.30%
Bundesrepubl. Deutschland	3.85%
Bonos Y Oblig Del Estado	3.78%
Japan (30 year issue)	2.11%
Japan (5 year issue)	2.08%
Top 10 Issuers	91.45%

Growth Assets

NZ SHARES

COMPANY	COUNTRY	WEIGHTING
Fisher & Paykel Healthcare Corporation Limited	New Zealand	19.43%
Auckland International Airport Limited	New Zealand	10.24%
Infratil Limited	New Zealand	9.59%
Contact Energy Limited	New Zealand	6.00%
Meridian Energy Limited	New Zealand	5.23%
The a2 Milk Company Limited	New Zealand	4.29%
Mainfreight Limited	New Zealand	3.78%
Mercury NZ Limited	New Zealand	3.44%
EBOS Group Limited	New Zealand	2.90%
Fletcher Building Limited	New Zealand	2.73%
Top 10 Holdings		67.62%

GLOBAL SHARES

COMPANY	WEIGHTING
Nvidia Corp	6.08%
Apple Inc	5.67%
Microsoft Corp	4.20%
Amazon.Com Inc	2.80%
Alphabet Inc Class A	2.34%
Alphabet Inc Class C	1.85%
Meta Platforms Inc	1.85%
Broadcom Inc	1.84%
Micron Technology Inc	1.40%
Tesla Inc	1.18%
Top 10 Holdings	29.21%

GLOBAL LISTED INFRASTRUCTURE

COMPANY	WEIGHTING
Aena SME SA	6.32%
Transurban Group	6.06%
NextEra Energy Inc	5.81%
Union Pacific Corp	4.75%
Southern Company	3.90%
Duke Energy Corp	3.62%
National Grid PLC	3.11%
Auckland International Airport Limited	2.90%
American Electric Power Co Inc	2.64%
American Tower REIT Inc	2.58%
Top 10 Holdings	41.69%

Key personnel

Position	Chief Executive Officer	General Manager Investments	Senior Portfolio Manager
Name	Glenys Talivai	Amanda Livingstone	Nick Combs
Time in position	6 years, 9 months	3 years, 1 month	2 years, 9 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

Contact information

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