

# Public Trust Investment Service

Diversified Funds and Cash Fund  
Quarterly Update

31 December 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	\$270.7m
Unit price (redemption)	1.0720
Fund start date	28 July 2014

## Moderate Portfolio

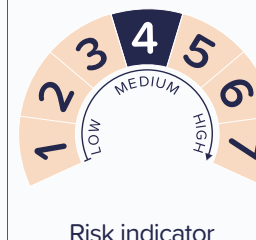
Aims to produce moderate capital growth with moderate risk over the medium-term by investing 25% in the Defensive Fund and 75% in the Balanced Fund.



Portfolio start date	28 July 2014
----------------------	--------------

## 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).

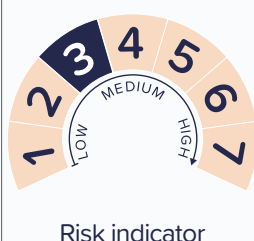


Total value of the Fund	\$415.7m
Unit price (redemption)	1.6784
Fund start date	24 July 2014

## 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	\$261.1m
Unit price (redemption)	1.2201
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
----------------------	--------------

### 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
----------------------	--------------

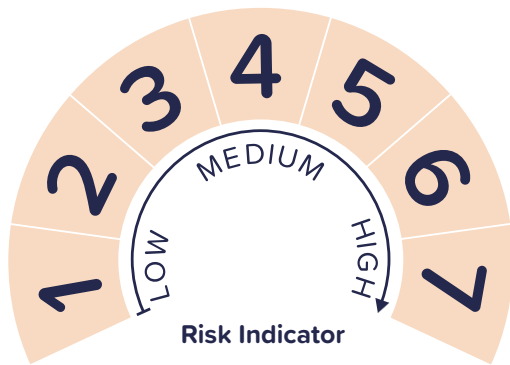
### Growth Fund

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	\$30.9m
Unit price (redemption)	1.9163
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 31 December 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 <sup>1</sup>	Third party management fee <sup>2</sup>	Estimated annual fund charges <sup>3</sup>
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%

<sup>1</sup>These are an annualised estimate based on actuals over four months.

<sup>2</sup>These have been estimated.

<sup>3</sup>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 \$958 (that is 9.58% of his initial \$10,000). Bob did not pay any other charges. This gives Bob a total return prior to tax of \$958 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](http://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	2.00%	4.10%	New Zealand cash	0.70%	3.60%
Australian shares (Local)	-1.00%	10.30%	New Zealand bonds	-0.20%	5.00%
Global shares (Unhedged)	4.30%	19.20%	Global bonds	0.40%	3.70%
Global shares (Local)	3.60%	19.70%	NZD/USD	-1.00%	2.60%
New Zealand property	-4.00%	12.60%	NZD - TWI	-0.30%	-1.90%

### Review of markets over the Fourth Quarter of 2025

Global equity markets recorded another solid quarter, supported by resilient US economic activity, strong earnings from technology and artificial intelligence (AI) focused companies, and ongoing monetary policy support. However, geopolitical developments, elevated trade tensions, and pressure on the US Federal Reserve’s (Fed) independence weighed on risk appetite during the period. The MSCI All Country World Index rose 4.3% in New Zealand dollar terms, led by strong performances in Japan, the UK, and emerging markets.

New Zealand equities posted modest gains over the quarter and year, though returns lagged global markets due to domestic economic challenges and limited exposure to high-growth sectors. Inflation continued to soften, allowing the Reserve Bank of New Zealand (RBNZ) to cut the Official Cash Rate (OCR) by 0.75% in the final quarter, supporting improving economic momentum. Domestic growth exceeded expectations, with consumer and business confidence strengthening late in the year.

New Zealand’s fixed income markets outperformed global bonds, supported by aggressive RBNZ rate cuts that pushed yields lower and bond prices higher. While domestic bonds were flat over the quarter, they delivered solid annual returns, with the S&P/NZX A-Grade Corporate Bond Index rising slightly and the Government Bond Index dipping marginally, both rounding out the year with gains near 5%.

Across the Tasman, Australian equities were slightly weaker amid inflation concerns and prospect of higher interest rates following commentary from the Reserve Bank of Australia (RBA), with the S&P/ASX 200 Index up 0.5% for the quarter and nearly 16% for the year.

The New Zealand dollar weakened on a trade weighted basis against major currencies except the Japanese yen. For New Zealand investors, changes in currency over the year did not affect total returns on global assets.

Looking into 2026, familiar themes persist as markets balance opportunities and challenges amid ongoing policy uncertainty and global trade tensions. Rising business and consumer confidence supported by lower interest rates and resilient economic activity, provide a constructive backdrop. The global economy is forecast to continue growing, underpinned by technology-led investment despite ongoing headwinds. While geopolitical risks and market volatility remain elevated, diversification and a long-term mindset remain central to navigating the period ahead.

### Global markets

Global equity markets recorded another solid quarter, with MSCI ACWI returning 4.3% and delivering strong gains over the year of +19.2% (in NZD unhedged terms). Market performance was supported by resilient US economic activity, strong earnings from technology and AI focused companies and continued monetary policy support. However, geopolitical developments, elevated trade tensions, and pressure on the US Federal Reserve’s independence weighed on risk appetite during the period.

The US equity market posted gains over a volatile quarter, supported by strong corporate earnings and further interest rate cuts from the Federal Reserve. Technology and AI focused companies continued to contribute meaningfully to returns, although investor concerns around valuations prompted interest in other parts of the market. There were broad market gains which pushed the US S&P 500 up 2.7% (in local currency) and to new highs over the quarter.

US gross domestic product (GDP) grew an annualised rate of 4.3% in Q3 2025, beating expectations. However, labour market momentum slowed in Q4, with unemployment rising to 4.6% - its highest level since 2021 driven by job losses in government and technology. Inflation surprised to the downside, though uncertainty around the data meant the result carried less weight for investors. The Fed cut interest rates twice during the quarter, marking the third consecutive easing step. While the cuts were widely anticipated, officials remain cautious about further easing in 2026, signalling that any additional easing will depend on further labour market weakness.

Elsewhere, gains were widespread across Europe (6.1%), Emerging Markets (5.6%), the UK (7.1%), and Japan (9.6%) in local currency terms.

Japanese equities rose sharply over the quarter despite higher interest rates. A weaker currency, strength in technology stocks, and political developments supported sentiment even as inflation above the Bank of Japan's 2% target prompted a rate increase to 0.75%, the highest in three decades.

European stocks ended the quarter near multi-year highs but still lagged behind the stronger performance seen in

the UK. The European Central Bank kept interest rates steady amid easing inflation which helped support solid gains across key sectors and lifted the MSCI Europe index, returning 6.1%.

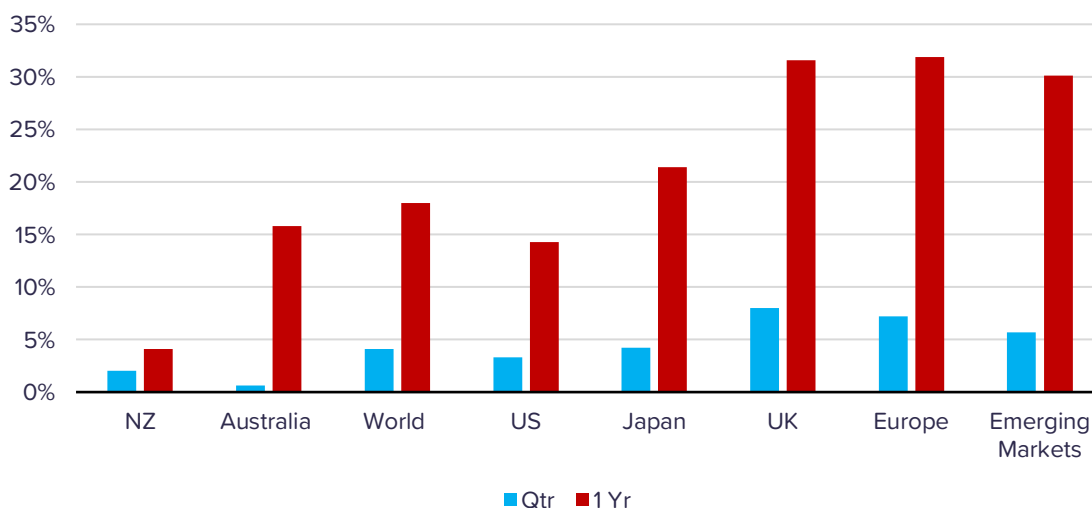
Meanwhile, the UK market benefited from a late quarter interest rate cut as the Bank of England responded to softer wage growth and weaker consumer spending, despite inflation remaining above target. This along with a 2.1% year on year rise in manufacturing activity helped the MSCI UK Index advance, up 7.1%.

The MSCI Emerging Markets Index climbed 5.8% this period, driven by strong contributions from Taiwan, South Korea, and Latin America. Although economic momentum in China remained mixed, emerging markets overall generated robust returns, outperforming many developed markets.

Turning to international fixed income, global bonds posted modest gains over the quarter however delivered reasonable returns for the year. Softer inflation and central bank easing created a supportive environment for fixed income markets. The Bloomberg Global Aggregate Index rose 0.4% for the quarter and 3.7% for the year.

## Global equity returns (in local currency terms)

As at 31 December 2025



## New Zealand

The New Zealand equity market continued to gain, rising 2% over the quarter and ending the year up 4.1%. Despite strong global momentum, local economic challenges and the lack of fast-growing AI companies within the main index meant it lagged behind international peers, which held back overall returns for the year.

Inflation eased during the period, prompting the RBNZ to cut the OCR by a total of 0.75% in the final quarter, bringing it down to 2.25%. Encouragingly, New Zealand's economy grew by 1.1% in Q3 2025, exceeding forecasts. Consumer and business confidence also improved in December, indicating the recovery is gaining momentum with the prospect of growth through 2026. New Governor Anna Breman signalled that interest rates are likely to remain steady for now, pushing back against market expectations of further hikes in 2026.

New Zealand listed property declined 4% over the quarter, weighed down by interest rate volatility and uncertainty about future direction. Despite this, it outperformed both global peers and the broader New Zealand equity market impressively over the year, posting strong gains of 12.6%.

New Zealand bonds were largely unchanged over the quarter but delivered solid annual returns, outperforming international peers as rate cuts drove yields lower and supported bond prices. The S&P/NZX A-Grade Corporate Bond Index rose slightly this quarter, while the Government Bond Index fell marginally, rounding out the year with gains nears 5%.

Across the Tasman, Australian equities were slightly weaker over the quarter amid renewed inflation pressures and more hawkish commentary from the Reserve Bank of Australia, which dampened the likelihood of interest rate cuts in 2026. This weighed on sentiment, especially in interest rate-sensitive sectors. The S&P ASX200 Index returned -1% for the quarter and 11% for the year (in local currency terms).

The New Zealand Trade-Weighted Index declined by 0.3% in the fourth quarter, weakening against most major currencies except for Japan. The NZD rose 5.1% against the Japanese yen but slipped around 1-2% versus other key currencies. For New Zealand investors, changes in currency over the year did not affect total returns on global assets.

## Outlook

Looking into 2026, familiar themes persist as markets balance opportunities and challenges amid ongoing policy uncertainty and global trade tensions. Rising business and consumer confidence supported by lower interest rates and resilient economic activity, provide a constructive backdrop. The global economy is forecast to continue growing, underpinned by technology-led investment despite ongoing headwinds. While geopolitical risks and market volatility remain elevated, diversification and a long-term mindset remain central to navigating the period ahead.



# How have the Funds performed?

	Qtr	Year	Inception
Cash Fund	0.80%	3.96%	2.80%
Defensive Fund	0.39%	5.85%	3.76%
Conservative Portfolio	0.70%	7.25%	4.83%
Moderate Portfolio	1.00%	8.65%	5.90%
Balanced Fund	1.20%	9.58%	6.61%
Balanced Growth Portfolio	1.42%	10.54%	7.26%
Growth Fund	1.65%	11.50%	7.92%

## 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.

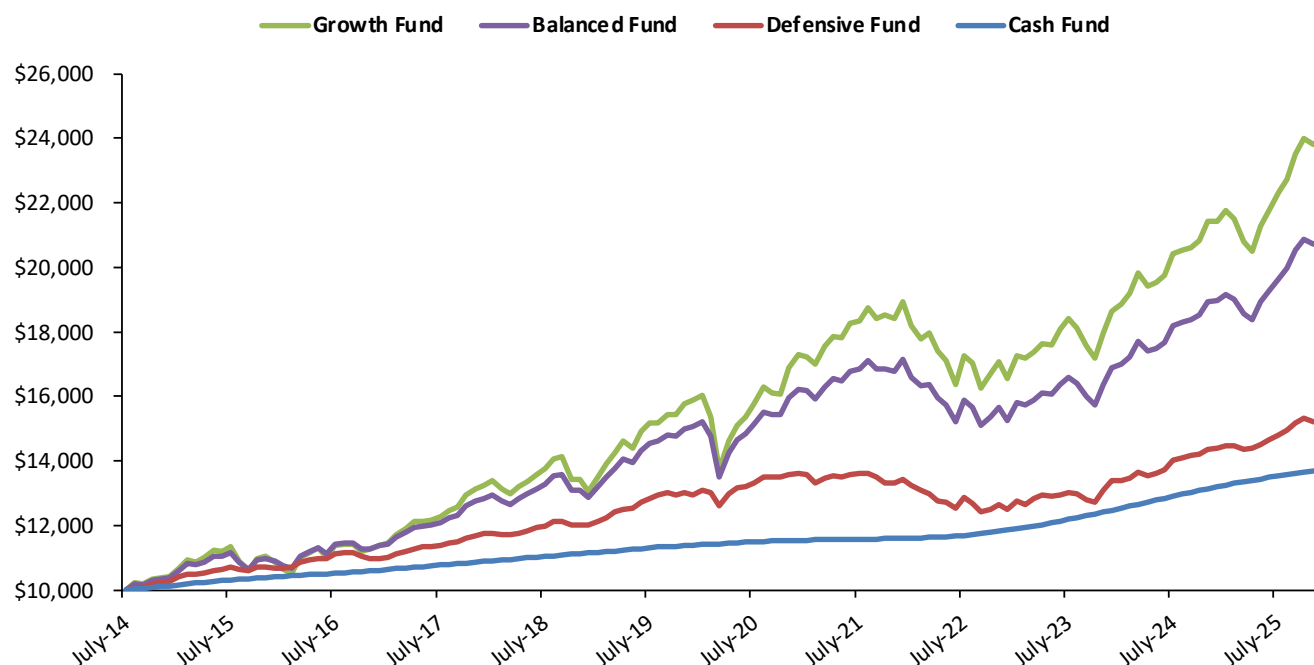
## Commentary on performance

Global equity markets recorded another solid quarter, supported by resilient US economic activity, strong earnings from technology and AI focused companies, and continued monetary policy support. However, geopolitical developments, elevated trade tensions, and pressure on the US Federal Reserve's independence weighed on risk appetite during the period.

All diversified strategies generated positive returns over the quarter, helping to drive solid performance for the full year. Strong gains in fixed income, supported by the local bond markets, boosted returns for the Defensive and Conservative funds, while growth assets were lifted by impressive overseas market performance, with less contribution from NZ. Cash returns moderated due to falling interest rates, with the Cash Fund returning 0.80% 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](http://www.publictrust.co.nz).



# What do the Funds invest in?

## Cash Fund

Actual Investment Mix



Target Investment Mix



ASSETS

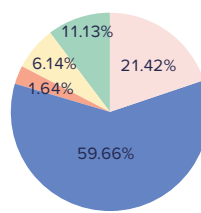
GROWTH 0.00% INCOME 100.00%

ASSETS

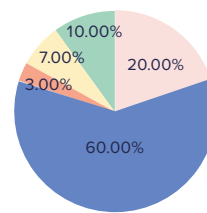
GROWTH 0.00% INCOME 100.00%

## Defensive Fund

Actual Investment Mix



Target Investment Mix



ASSETS

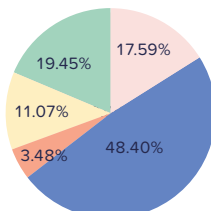
GROWTH 18.91% INCOME 81.09%

ASSETS

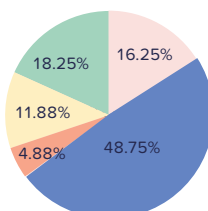
GROWTH 20.00% INCOME 80.00%

## Conservative Portfolio

Actual Investment Mix



Target Investment Mix



ASSETS

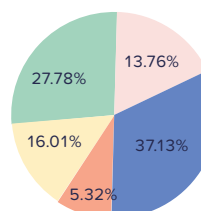
GROWTH 34.01% INCOME 65.99%

ASSETS

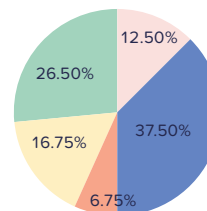
GROWTH 35% INCOME 65.00%

## Moderate Portfolio

Actual Investment Mix



Target Investment Mix



ASSETS

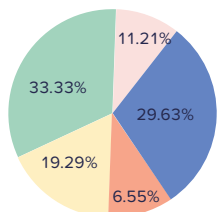
GROWTH 49.10% INCOME 50.90%

ASSETS

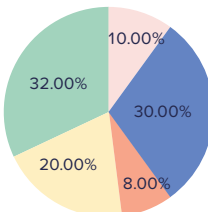
GROWTH 50.00% INCOME 50.00%

## Balanced Fund

Actual Investment Mix



Target Investment Mix



ASSETS

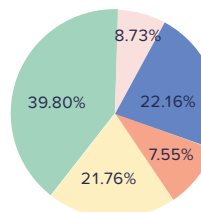
GROWTH 59.17% INCOME 40.83%

ASSETS

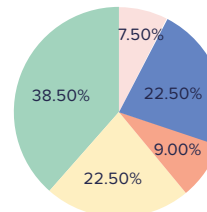
GROWTH 60.00% INCOME 40.00%

## Balanced Growth Portfolio

Actual Investment Mix



Target Investment Mix



ASSETS

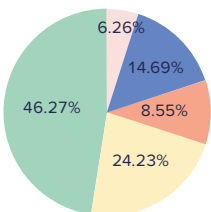
GROWTH 69.11% INCOME 30.89%

ASSETS

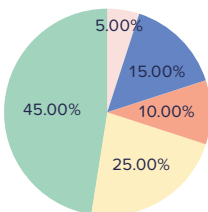
GROWTH 70.00% INCOME 30.00%

## Growth Fund

Actual Investment Mix



Target Investment Mix



ASSETS

GROWTH 79.05% INCOME 20.95%

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	4.87%
Apple	United States	4.33%
Microsoft Corp	United States	3.67%
Amazon.com	United States	2.38%
Alphabet A	United States	1.96%
Broadcom	United States	1.67%
Alphabet C	United States	1.65%
Meta Platforms A	United States	1.54%
Tesla	United States	1.36%
Taiwan Semiconductor MFG	Taiwan	1.31%
Top 10 Issuers		24.74%

AUSTRALASIAN SHARES		
COMPANY	COUNTRY	WEIGHTING
Fisher & Paykel Healthcare Corporation Limited	New Zealand	11.96%
Auckland Intl Airport Ltd	New Zealand	7.62%
Infratil Ltd	New Zealand	5.96%
Contact Energy Ltd	New Zealand	4.52%
a2 Milk Co Ltd	New Zealand	4.22%
Meridian Energy Ltd	New Zealand	3.91%
EBOS Group Ltd	New Zealand	3.06%
Mainfreight Limited	New Zealand	3.06%
Mercury NZ Limited	New Zealand	2.43%
Commonwealth Bank of Australia	Australia	2.46%
Top 10 Issuers		49.18%

NZ LISTED PROPERTY		
COMPANY	COUNTRY	WEIGHTING
Precinct Properties New Zealand & Precinct Properties Investments Ltd	New Zealand	19.80%
Goodman Property Trust	New Zealand	19.07%
Kiwi Property Group Limited	New Zealand	16.17%
Property for Industry Ltd	New Zealand	11.16%
Argosy Property Ltd	New Zealand	10.08%
Vital Healthcare Property Trust	New Zealand	9.69%
Stride Stapled Group	New Zealand	7.08%
Investore Property Limited	New Zealand	3.41%
New Zealand Rural Land Company Ltd	New Zealand	1.42%
Winton Land Ltd	New Zealand	0.85%
Top 10 Issuers		98.73%

## INCOME ASSETS

NZ CASH		
ISSUER	CREDIT RATING	WEIGHTING
Bank of New Zealand	AA-	21.10%
Kiwibank Limited	A+	20.74%
ASB Bank Limited	AA-	12.49%
Westpac NZ Limited	AA-	12.43%
MUFG Bank, Ltd	A	7.98%
Rabobank NZ Limited	A+	3.78%
ANZ Bank NZ Limited	AA-	3.03%
Industrial and Commercial Bank of China NZ Limited	A	2.54%
Bank of China (NZ) Limited	A	2.52%
Fonterra	A-	2.50%
Top 10 Issuers		89.13%

NZ BONDS		
ISSUER	CREDIT RATING	WEIGHTING
New Zealand Government	AAA	35.40%
NZ Local Government Funding Agency Ltd	AAA	24.20%
Housing New Zealand Ltd	AAA	6.96%
Westpac NZ Limited	AA-	4.81%
Bank of New Zealand	AA-	4.59%
ASB Bank NZ Limited	AA-	4.05%
Kiwibank Limited	A+	2.79%
Auckland International Airport	A-	1.73%
ANZ Bank New Zealand Ltd	AA-	1.70%
Auckland Regional Council	AA	1.63%
Top 10 Issuers		87.86%

# 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	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 dated 1 December 2024, a copy of which is available on request to Public Trust.

## Contact information

Public Trust  
Phone: 0800 371 471  
Email : [info@publictrust.co.nz](mailto:info@publictrust.co.nz)  
Post: Private Bag 5902  
Wellington 6160

0800 371 471  
[info@publictrust.co.nz](mailto:info@publictrust.co.nz)  
[publictrust.co.nz](http://publictrust.co.nz)

