

# Public Trust Investment Service

Diversified Funds and Cash Fund  
Quarterly Update

31 March 2025

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## 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	\$263.3m
Unit price (redemption)	1.0743
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	\$362.8m
Unit price (redemption)	1.5243
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	\$208.6m
Unit price (redemption)	1.1714
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	\$27.3m
Unit price (redemption)	1.6908
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 March 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 \$492 (that is 4.92% of his initial \$10,000). Bob did not pay any other charges. This gives Bob a total return prior to tax of \$492 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	-6.20%	2.10%	New Zealand cash	1.10%	5.20%
Australian shares (Local)	-2.80%	2.80%	New Zealand bonds	0.70%	6.20%
Global shares (Unhedged)	-2.40%	13.20%	Global bonds	1.10%	4.20%
Global shares (Local)	-2.10%	7.40%	NZD/USD	1.10%	-5.30%
New Zealand property	-4.40%	-7.30%	NZD - TWI	0.10%	-3.80%

## Review of markets over the First Quarter of 2025

*Global markets had a volatile start to 2025, with global equities down 2.7% (local currency terms). Markets were unsettled by rising trade tensions, elevated inflation expectations, and dampening consumer confidence.*

*US equities saw early gains but ended the quarter lower as policy uncertainty and tariff concerns weighed on sentiment. Despite this, several international markets posted positive returns, with UK, Eurozone, and Emerging Markets delivering solid gains, supported by fiscal stimulus and interest rate cuts and rotation out of US equities.*

*In New Zealand, equities underperformed their global equivalents, with the S&P/NZX 50 down -6.4%. On a positive note, a better-than-expected GDP print for the December quarter signalled a technical exit from recession. The Reserve Bank of New Zealand (RBNZ) cut interest rates as inflation continued to ease within its target range. Local fixed income was steady, with both government and corporate bonds up around 1%. In contrast, NZ listed property declined while the NZD posted a slight gain against the US dollar.*

*Across the Tasman, Australian equities also fell, though less sharply than New Zealand's, with most sectors impacted by global trade uncertainty. In line with market expectations, the Reserve Bank of Australia (RBA) cut interest rates in February amid moderating inflation.*

*Looking ahead, while the outlook remains generally constructive, ongoing uncertainty around US policy, global growth, inflation, and geopolitics means market volatility is unlikely to ease. Against this backdrop, maintaining a diversified portfolio and long-term focus remains key.*

## Global markets

The first quarter of 2025 got off to a challenging start, with global equities down 2.7% (in local currency terms). Rising trade tensions contributed to higher inflation expectations and falling consumer confidence, weighing on markets. US policy decisions added to the uncertainty, raising concerns about the outlook for growth and inflation.

While US equities reached a new all-time high in February, momentum faded later in the quarter as trade uncertainty from the US administration began to weigh on investor sentiment. Concerns that tariff measures and rising trade tensions could reignite inflation and undermine the economic outlook added to the induced market sell off. The S&P 500 ended the quarter down -4.3% (in local currency), with weakness in the consumer discretionary and technology sectors (primarily the Magnificent Seven companies) contributing to the decline.

The Federal Reserve left interest rates unchanged and revised its outlook following the March meeting lowering its economic growth forecast while raising expectations for inflation and unemployment. The tone of the statement suggested the Fed was more concerned about weaker growth than rising inflation, meaning possible rate cuts if conditions deteriorate further.

Despite concerns over US tariffs, other market including the UK, Eurozone, and Emerging Markets delivered solid quarterly gains of 6.4%, 6.2% and 2.7% respectively (in local currency terms).

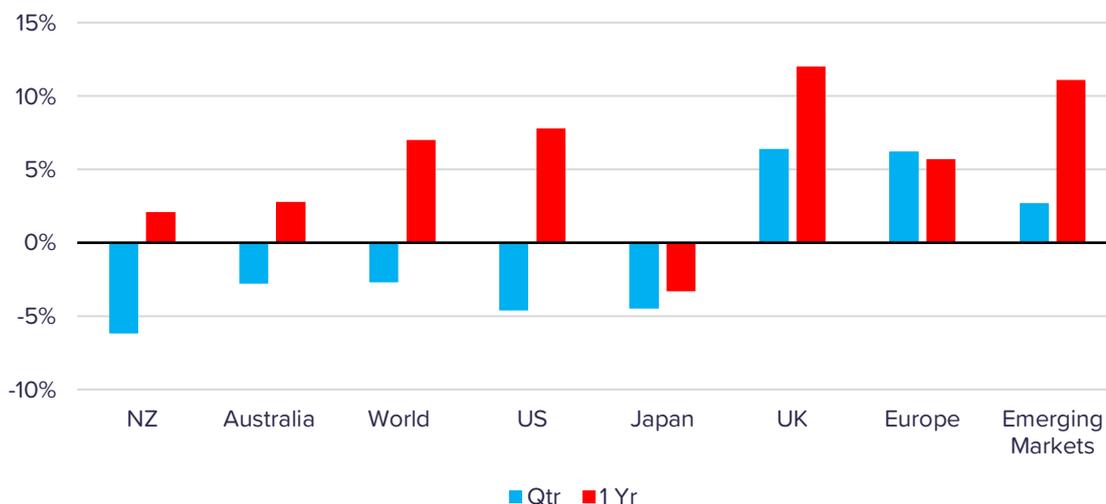
European markets gained largely due to Germany's new spending plans, including increased military and infrastructure investments which lifted investor confidence. The European Central Bank's interest rate cuts also supported the market, alongside a positive business outlook, with financial equities leading the biggest gains across the region. Year to date, UK equities outperformed many global markets, benefiting from strong large-cap equity performance amid a rotation away from US equities.

Emerging market equities rose nearly 3% over the quarter, supported by strength in China and Latin America as well as the broader sell off in US markets. Chinese equities rallied on growing artificial intelligence (AI) optimism and new government stimulus aimed at boosting incomes and spending. Alibaba and Tencent led China's gains, announcing major investments in AI.

Global bonds posted positive returns despite geopolitical volatility and uncertainty around US tariffs. The Barclays Global Aggregate Index rose 1.1%, as falling interest rates provided support and helped bonds act as diversifier during the period.

### Global equity returns (in local currency terms)

As at 31 March 2025



### New Zealand

New Zealand equities declined in the first quarter of 2025. The S&P/NZX50 Index fell by 6.4%. On the bright side, GDP growth of 0.7% in the December quarter was better than projected, marking a technical exit from recession. The RBNZ cut interest rates as expected, easing pressure on households and businesses. Inflation has also continued to decline, reaching the RBNZ's desired range of 1 to 3 percent.

Across the Tasman, Australian equities fell over the quarter, with most sectors declining due to global trade uncertainty. Only utilities and industrials posted gains. The Reserve Bank of Australia cut interest rates to 4.1% in February as inflation cooled. The S&PASX 200 index finished down -2.8% for the 3-month period outperforming NZ.

New Zealand listed property declined over the quarter, with the NZX All Real Estate Index falling -4.4%. In contrast, NZ fixed income held steady, with the NZ Government Bond Index rising 0.6% and the NZ A-grade Corporate Bond Index up 1.0%, offering diversification during a volatile period for markets.

In foreign exchange markets, the NZD gained 1.1% against the USD over the quarter and edged up 0.1%, on a trade weighted basis.

### Outlook

Looking ahead, while the outlook remains generally constructive, ongoing uncertainty around US policy, global growth, inflation, and geopolitics means market volatility is unlikely to ease. Against this backdrop, maintaining a diversified portfolio and long-term focus remains key.

# How have the Funds performed?

	Qtr	Year	Inception
Cash Fund	1.16%	5.46%	2.74%
Defensive Fund	-0.24%	5.25%	3.46%
Conservative Portfolio	-0.92%	5.12%	4.40%
Moderate Portfolio	-1.60%	5.00%	5.34%
Balanced Fund	-2.05%	4.92%	5.97%
Balanced Growth Portfolio	-2.49%	4.93%	6.54%
Growth Fund	-2.93%	4.95%	7.10%

## Commentary on performance

Equity markets had a turbulent start to 2025, with rising uncertainty around US policy decisions and their impact on global trade, growth, and inflation. Geopolitical tensions also weighed on investor sentiment.

All diversified funds posted weaker returns for the quarter, capping off a challenging start to the year. Defensive and Conservative funds saw slight declines but remain positive for the year, supported by their higher allocation to fixed income. In contrast, funds with greater exposure to growth assets came under pressure as NZ and global equities lost momentum over the quarter, though annual returns finished in positive territory. Meanwhile, the Cash Fund returned 1.16% for the quarter, down from the previous period amid falling interest rates.

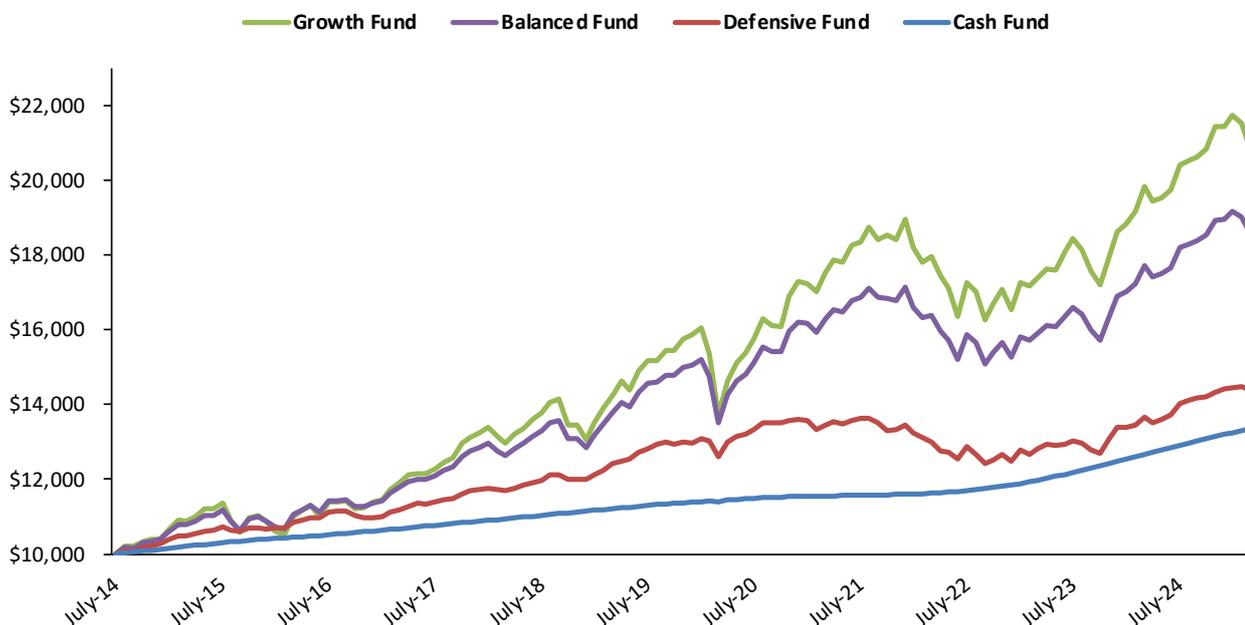
## Note on returns

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.

## Growth of a \$10,000 investment

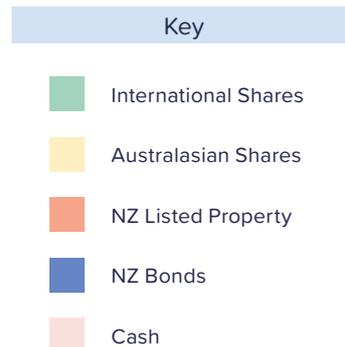
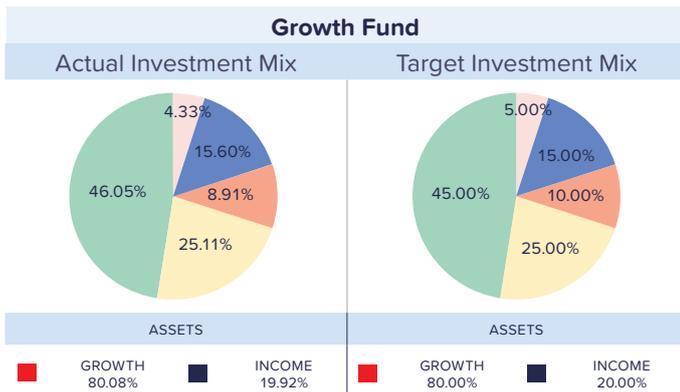
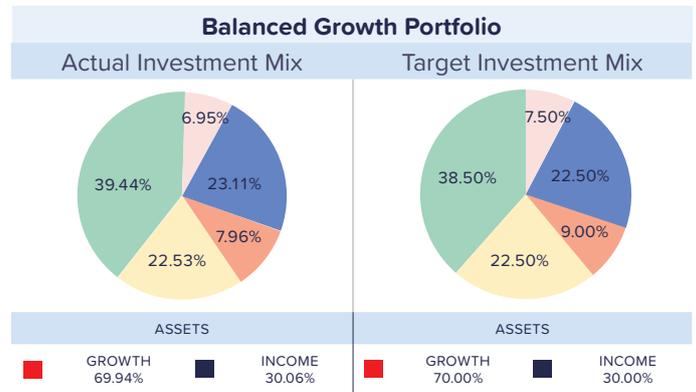
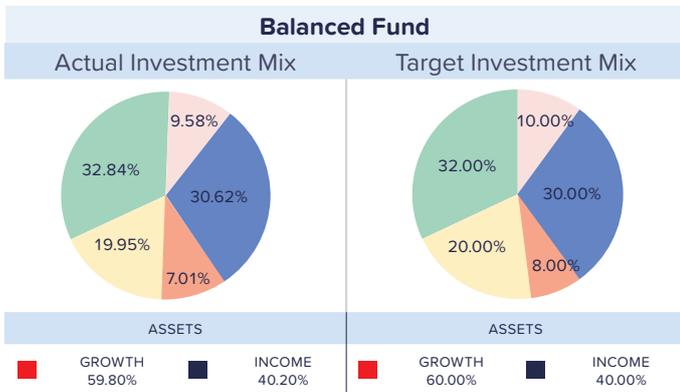
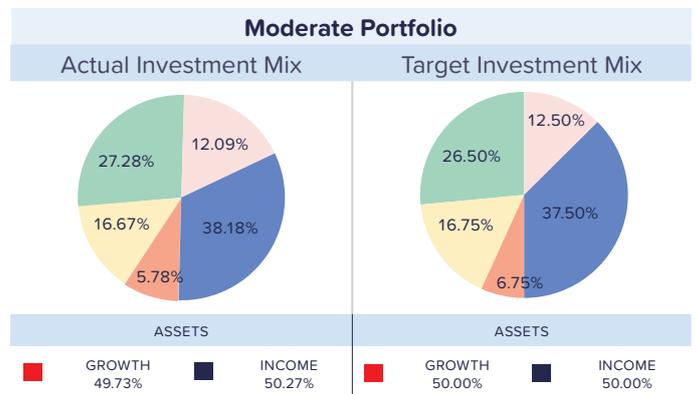
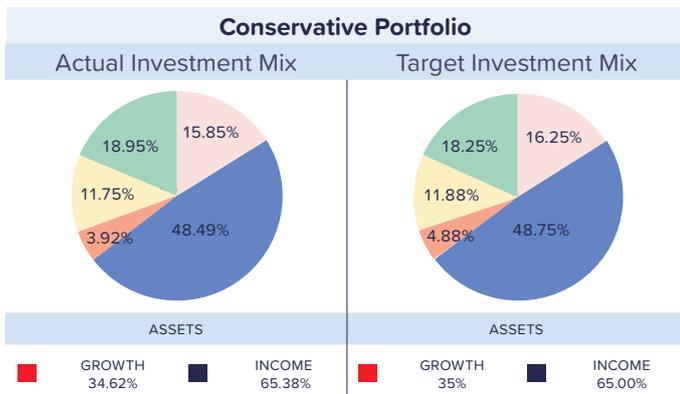
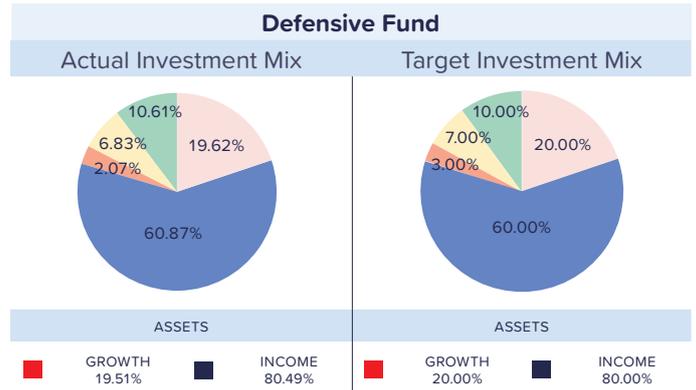
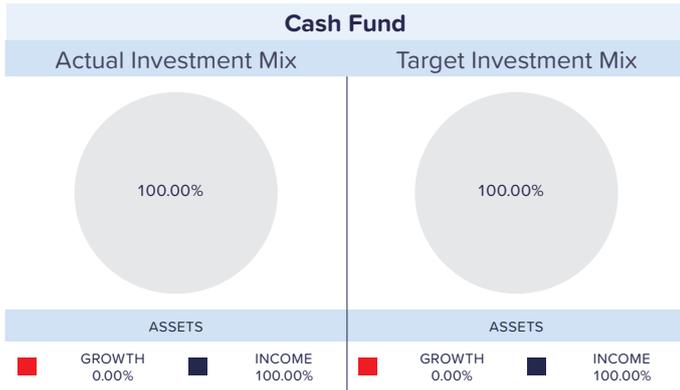
Value of the investment



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?



# Top 10 holdings

## GROWTH ASSETS

INTERNATIONAL SHARES		
COMPANY	COUNTRY	WEIGHTING
Apple	United States	4.40%
Nvidia	United States	3.49%
Microsoft Corp	United States	3.49%
Amazon.com	United States	2.37%
Meta Platforms A	United States	1.65%
Alphabet A	United States	1.19%
Alphabet C	United States	1.02%
Tesla	United States	0.99%
Broadcom	United States	0.98%
Berkshire Hathaway B	United States	0.93%
Top 10 Issuers		20.51%

AUSTRALASIAN SHARES		
COMPANY	COUNTRY	WEIGHTING
Fisher & Paykel Healthcare Corporation Limited	New Zealand	11.90%
Auckland Intl Airport Ltd	New Zealand	8.32%
Infratil Ltd	New Zealand	6.08%
Contact Energy Ltd	New Zealand	4.42%
Meridian Energy Ltd	New Zealand	4.33%
a2 Milk Co Ltd	New Zealand	3.83%
EBOS Group Ltd	New Zealand	3.68%
Mainfreight Limited	New Zealand	3.20%
Commonwealth Bank of Australia	Australia	2.61%
Spark New Zealand Ltd	New Zealand	2.29%
Top 10 Issuers		50.65%

NZ LISTED PROPERTY		
COMPANY	COUNTRY	WEIGHTING
Goodman Property Trust	New Zealand	21.54%
Precinct Properties New Zealand & Precinct Properties Investments Ltd	New Zealand	19.57%
Kiwi Property Group Limited	New Zealand	15.38%
Property for Industry Ltd	New Zealand	11.78%
Argosy Property Ltd	New Zealand	9.19%
Vital Healthcare Property Trust	New Zealand	8.84%
Stride Stapled Group	New Zealand	6.89%
Investore Property Limited	New Zealand	3.48%
New Zealand Rural Land Company Ltd	New Zealand	1.35%
Winton Land Ltd	New Zealand	0.70%
Top 10 Issuers		98.73%

## INCOME ASSETS

NZ CASH		
ISSUER	CREDIT RATING	WEIGHTING
Bank of New Zealand	AA-	21.74%
Kiwibank Limited	AA	19.87%
ASB Bank Limited	AA-	15.86%
Westpac NZ Limited	AA-	9.85%
ANZ Bank NZ Limited	AA-	5.71%
MUFG Bank, Ltd	A	4.74%
Rabobank NZ Limited	A+	4.26%
Bank of China (NZ) Limited	A	3.37%
China Construction Bank (New Zealand)	A	3.08%
Toyota Finance New Zealand Ltd	A+	2.33%
Top 10 Issuers		90.81%

NZ BONDS		
ISSUER	CREDIT RATING	WEIGHTING
New Zealand Government	AAA	34.92%
NZ Local Government Funding Agency Ltd	AAA	25.73%
Housing New Zealand Ltd	AAA	9.13%
Bank of New Zealand	AA-	4.61%
Westpac NZ Limited	AA-	3.26%
Kiwibank Limited	AA	2.71%
ASB Bank NZ Limited	AA-	2.44%
Auckland Regional Council	AA	1.94%
ANZ Bank New Zealand Ltd	AA-	1.73%
Auckland International Airport	A-	1.40%
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	4 years, 5 months	8 months	1 year, 11 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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