



# FUNDS MANAGEMENT SERVICE

QUARTERLY  
INVESTMENT  
REPORT

30 September 2025



Government of  
South Australia

Produced by

**THE PUBLIC TRUSTEE**

GPO Box 1338 Adelaide South Australia 5001

08 8372 7550

[www.publictrustee.sa.gov.au](http://www.publictrustee.sa.gov.au)

## Quarterly Investment Report – 30 September 2025

This Quarterly Investment Report presents the results of the Public Trustee's Funds Management Service for the quarter ended 30 September 2025.

The Public Trustee is a statutory entity founded in 1881. At the end of the September 2025 quarter, it had approximately \$1.7 billion in funds under management. The Public Trustee's Funds Management Service has a record of high quality, proven and consistent investment performance. The Public Trustee is proud of its long-standing reputation for trust and reliability, and the vital role it plays for our customers.

Returns for the September quarter were very strong for financial markets. For the quarter, Public Trustee's investment strategy returns range from 0.91% p.a. for Cash to 4.47% p.a. for Equities, net of fees.

Over the long-term, ten-year returns stand at 1.91% p.a. for Cash to 8.59% p.a. for Equities, net of fees. The investment strategy performance relative to CPI based targets, over the suggested time horizon, is illustrated below. Due to high levels of inflation (CPI) some investments trail the CPI based objectives. This will continue in the short term, as inflation subsides.

### SIS Performance versus CPI Objectives as at 30 September 2025

Investment Strategy	CPI Objective	Investment Horizon	Target Return % pa	Actual Return % pa	Over (+) / Under(-)
Capital Stable	CPI + 1.5% pa	3 Years	5.30%	5.89%	+
Balanced	CPI + 2.5% pa	5 Years	6.83%	5.10%	-
Growth	CPI + 3.5% pa	7 Years	6.92%	5.01%	-
Equities	CPI + 4% pa	10 Years	6.89%	8.59%	+

For any enquiries regarding your investments please contact Marc Skovberg on 08 8372 7550.

**Tony Brumfield**  
Public Trustee  
October 2025

## ➤ Market Overview

### Global

Global markets performed very well for the September quarter. The month of July saw improving sentiment as trade tensions cooled, with the USA announcing trade deals with the EU, Japan, and others. August was marked by a strong US earnings season and growing expectations of looser monetary policy, particularly in the USA, where weaker employment data led markets to anticipate rate cuts. September capped off the quarter with continued strength in global equities, driven by resilience in consumer spending and the continuation of the AI thematic in US markets. Bond markets delivered mild positive returns over the quarter, with Australian and Global bonds returning 0.4% and 1% respectively.

### Australia

The Reserve Bank of Australia (RBA) reduced the cash rate by 0.25% to 3.60% during the quarter, reflecting more confidence that inflation is moving towards the 2-3% target. The Australian dollar (AUD) appreciated against the US Dollar for the quarter, finishing at 66 US cents.

### Share Markets

Global share markets delivered a robust performance through the third quarter, extending the rally over the course of 2025. Large-cap growth, technology and pro-cyclical sectors led the global equity market in Q3 while defensive sectors lagged. The MSCI World Index (hedged into AUD) returned 7% for the quarter. In Australia, the S&P/ASX 300 Index increased by 5% for the quarter, led by the materials sector.

### Key Developments

Key developments over the quarter:

- Global share markets hit new highs
- Continued AI enthusiasm and strong performance of technology companies
- The RBA reduced interest rates

**Since 1990, funds invested through the Public Trustee have grown from \$160 million to \$1.7 billion today.**

## ➤ Cash Investment Strategy

During the quarter, the Reserve Bank reduced interest rates to 3.60%. The funds' return was 0.91% for the quarter. The strategy's 10 year return of 0.83% is ahead of benchmark.

### Crediting Rate:

The investment return for this fund is calculated daily, based on the net earnings of the fund. The daily crediting rate as at 30 June 2025 was 3.40% p.a.

**Fund size:** \$556 million.

Performance	Quarter %	1 year %	3 year %*	5 year%*	7 year%*	10 year%*
<b>Return (after fees)</b>	<b>0.91%</b>	<b>3.99%</b>	<b>3.54%</b>	<b>2.17%</b>	<b>1.92%</b>	<b>1.91%</b>
<b>Benchmark**</b>	0.67%	3.15%	3.05%	1.53%	1.13%	1.08%
<b>Difference</b>	0.24%	0.84%	0.49%	0.64%	0.79%	0.83%

\*Annualised \*\* Index return on Strategic Asset Allocation

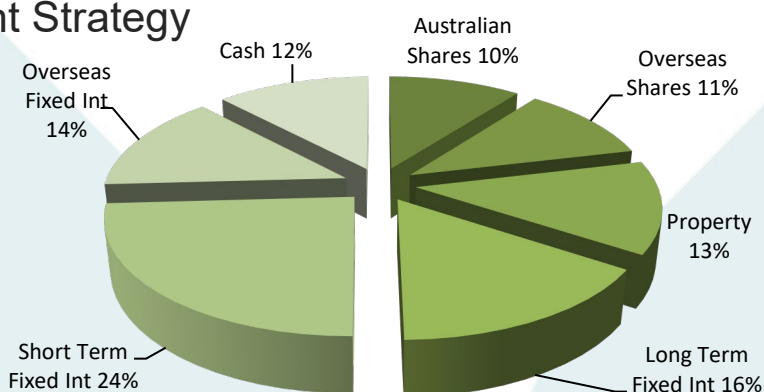
### Objective:

Funds assigned to the cash investment strategy are invested in the Public Trustee's Cash Fund. The objective of the Cash Fund is the preservation of capital. The strategy is intended for investors who are seeking secure returns at prevailing short term interest rates.

## ➤ Capital Stable Investment Strategy

The strategy's return for the quarter was 1.69%, underperforming the benchmark return by 0.10%. The Strategy's 10 year return of 3.36% is 0.01% below benchmark.

**Fund size:** \$196 million.



Performance	Quarter %	1 year %	3 year %*	5 year%*	7 year%*	10 year%*
<b>Return (after fees)</b>	<b>1.69%</b>	<b>5.41%</b>	<b>5.89%</b>	<b>3.47%</b>	<b>2.93%</b>	<b>3.36%</b>
<b>Benchmark**</b>	1.79%	5.47%	6.09%	3.30%	3.14%	3.37%
<b>Difference</b>	-0.10%	-0.06%	-0.20%	0.17%	-0.21%	-0.01%

\*Annualised \*\* Index return on Strategic Asset Allocation

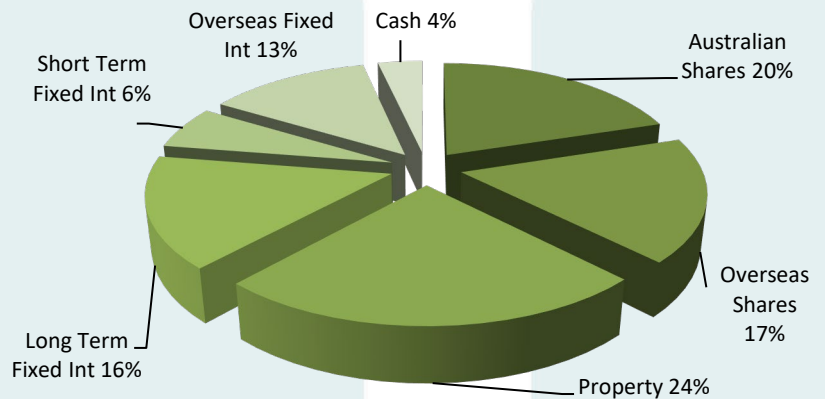
### Objective:

The objective of this strategy is to achieve CPI +1.5% p.a. over a three year time frame, by strategically allocating 34% of the funds in growth assets and the balance in fixed interest and cash. It is suitable for investors who are seeking higher returns than cash over time and are prepared to accept a slight increase in risk in terms of downward movements in the value of their capital from time to time.

## Balanced Investment Strategy

The strategy's return for the quarter was 2.50%, underperforming the benchmark return by 0.35%. The strategy's 10 year return of 4.88% is 0.39% below benchmark.

**Fund size:** \$310 million.



Performance	Quarter %	1 year %	3 year %*	5 year%*	7 year%*	10 year%*
<b>Return (after fees)</b>	<b>2.50%</b>	<b>6.70%</b>	<b>7.61%</b>	<b>5.10%</b>	<b>4.06%</b>	<b>4.88%</b>
<b>Benchmark**</b>	2.85%	7.36%	8.46%	5.56%	4.82%	5.27%
<b>Difference</b>	-0.35%	-0.66%	-0.85%	-0.46%	-0.76%	-0.39%

\*Annualised \*\* Index return on Strategic Asset Allocation

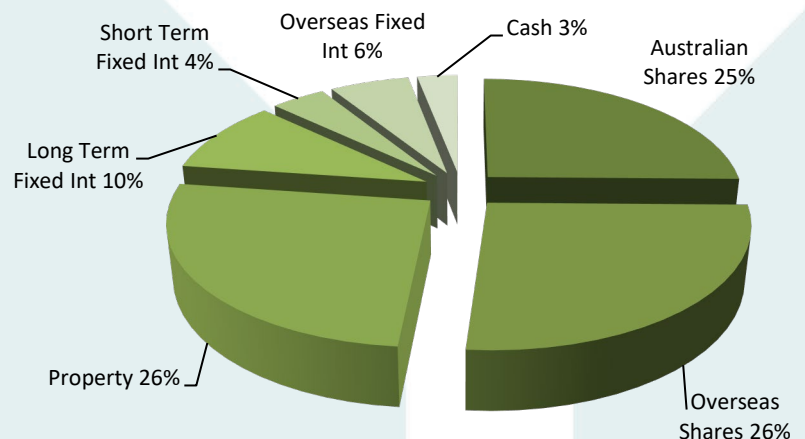
### Objective:

The objective of this strategy is to achieve CPI + 2.5% p.a. over a five year time frame, by strategically allocating 60% of the funds in growth assets and the balance in fixed interest and cash. It is suitable for medium term investors who seek higher returns and are prepared to accept some volatility in the value of the funds invested.

## Growth Investment Strategy

The strategy's return for the quarter was 3.00%, underperforming the benchmark return by 0.62%. The strategy's 10 year return of 6.10% is 0.70% below benchmark.

**Fund size:** \$231 million.



Performance	Quarter %	1 year %	3 year %*	5 year%*	7 year%*	10 year%*
<b>Return (after fees)</b>	<b>3.00%</b>	<b>7.81%</b>	<b>9.09%</b>	<b>6.51%</b>	<b>5.01%</b>	<b>6.10%</b>
<b>Benchmark**</b>	3.62%	9.07%	10.49%	7.66%	6.22%	6.80%
<b>Difference</b>	-0.62%	-1.26%	-1.40%	-1.15%	-1.21%	-0.70%

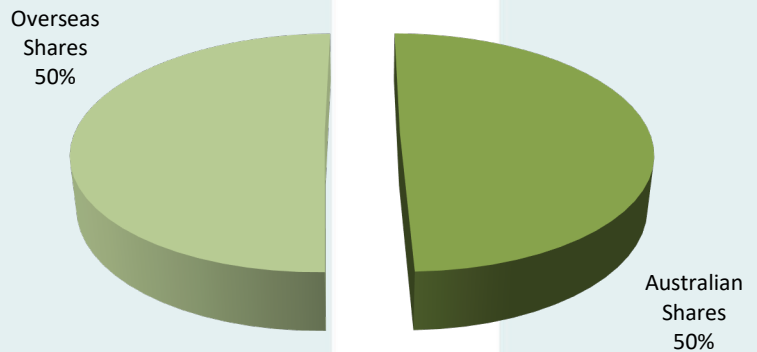
\*Annualised \*\* Index return on Strategic Asset Allocation

### Objective:

The objective of this strategy is to achieve CPI + 3.5% p.a. over a seven year time frame by strategically allocating 75% to growth assets and the balance in fixed interest and cash. It is suitable for long term investors who are prepared to accept high volatility in the value of the funds invested.

## ➤ Equities Investment Strategy

The strategy's return for the quarter was 4.47%, underperforming the benchmark return by 1.04%. The 10 year return of 8.59% is 1.38% below benchmark.



**Fund size:** \$92 million.

Performance	Quarter %	1 year %	3 year %*	5 year%*	7 year%*	10 year%*
<b>Return (after fees)</b>	<b>4.47%</b>	<b>10.52%</b>	<b>14.04%</b>	<b>9.52%</b>	<b>7.14%</b>	<b>8.59%</b>
<b>Benchmark**</b>	5.51%	13.69%	16.62%	12.32%	9.26%	9.97%
<b>Difference</b>	-1.04%	-3.17%	-2.58%	-2.80%	-2.12%	-1.38%

\*Annualised \*\* Index return on Strategic Asset Allocation

### Objective:

The equities strategy offers 100% exposure to the world's share markets. Over the long term, it offers the prospects of high returns but with the likelihood that capital values will fluctuate broadly in line with the fortunes of the share markets. Typically, this strategy may be used as a return booster in conjunction with one of the other investment strategies.

The objective of this strategy is to achieve CPI + 4% p.a. over a 10 year time frame, with exposure to both domestic and overseas share markets. It has a 55%/45% strategic allocation to the two markets respectively.

**NB: All the above investment strategies are exercised through investment in one, or a combination of, the Public Trustee Common Funds.**

The investment returns presented in this quarterly report relate to past performances and must not be taken to imply that this predicts future returns of the funds. The information and opinions contained in this report have been compiled or are arrived at by the Public Trustee from sources believe to be reliable, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness or correctness. The information in this report is of a general nature. The Public Trustee strongly recommends that you contact our Office to discuss your particular circumstances. The Public Trustee does not accept any liability whatsoever for any direct or consequential loss arising from any usage of information herein contained.



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