public trustee

Funds Management Service

Quarterly Investment Report

30 June 2026

Government of South Australia

Produced by

THE PUBLIC TRUSTEE
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This Quarterly Investment Report presents the results of the Public Trustee's Funds Management Service for the quarter ended 30 June 2026.

The Public Trustee is a statutory entity founded in 1881. At the end of the June 2026 quarter, it had approximately $1.6 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.

One year returns for our investment strategies range from 3.60% to 8.84%. The Cash Investment Strategy, where most customer funds are invested, with the aim of preserving capital, generated good returns in 2025-26 of 3.60%, exceeding benchmark by 0.77%. The High Growth Investment Strategy delivered 8.84% for the financial year despite geopolitical uncertainty and the associated market volatility.

Returns for the June quarter were higher for Public Trustee's investment strategies, largely due to the rebound of global equities. For the quarter, Public Trustee's investment strategy returns range from 0.93% p.a. for Cash to 8.53% for High Growth, net of fees. All strategies exceeded their benchmark returns for the quarter.

Over the long-term, ten-year returns stand at 2.02% p.a. for Cash to 8.59% p.a. for High Growth, 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 now trail the CPI based objectives. This may continue until we see inflation subside from recent levels.

SIS Performance versus CPI Objectives as at 30 June 2026

Investment Strategy	CPI Objective	Investment Horizon	Target Return % pa	Actual Return % pa	Over (+) / Under(-)
Capital Stable	CPI + 1.5% pa	3 Years	4.45%	5.43%	+
Balanced	CPI + 2.5% pa	5 Years	6.71%	3.85%	-
Growth	CPI + 3.5% pa	7 Years	6.99%	5.22%	-
High Growth	CPI + 4% pa	10 Years	6.99%	8.59%	+

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

Tony Brumfield
Public Trustee
August 2026

Market Overview

Global

Global markets rebounded strongly over the June quarter of 2026. US equity markets led developed markets over the quarter, driven up largely by capital spending in AI; however, emerging markets were the standout over the quarter. Sentiment improved during the quarter as investors looked through the Middle East conflict despite oil prices spiking early in the quarter and initial volatility. Both Global Bonds and Australian Bonds recorded positive returns over the quarter.

Australia

The Reserve Bank of Australia (RBA) increased interest rates by 0.25%, taking the cash rate to 4.35%. The Australian dollar (AUD) appreciated 1.2% against the US Dollar for the quarter, finishing at 69 US cents.

Share Markets

Global share markets experienced strong second quarter of 2026. The MSCI World index (hedged to AUD) returned 14.1% for the quarter. US equity markets led developed markets, with the S&P500 returning 15.2%, supported by continued strength from AI-linked stocks and strong earnings. European markets also performed strongly returning 12.2%, however, it was emerging markets which were the standout for the quarter returning 22.7%. In Australia, the S&P/ASX 300 index showed more modest gains of 4.1%. Consumer Discretionary and information Technology were the strongest performers.

Key Developments

Key developments over the quarter:

- Strong gains for global shares, with Emerging Markets the standout performer
- Oil price volatility
- The RBA increased interest rates by 0.25%
- The Australian dollar appreciated

Since 1990, funds invested through the Public Trustee have grown from $160 million to $1.6 billion today.

Cash Investment Strategy

During the quarter, the Reserve Bank increased the cash rate by 0.25% to 4.35%. The funds' return was 0.93% for the quarter. The strategy's 10 year return of 2.02% is 0.82% 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 2026 was 4.0% p.a.

Fund size: $532 million.

Performance	Quarter %	1 year %	3 year %*	5 year%*	7 year%*	10 year%*
Return (after fees)	**0.93%**	**3.60%**	**3.84%**	**2.70%**	**2.09%**	**2.02%**
Benchmark**	0.82%	2.83%	3.21%	2.11%	1.34%	1.20%
Difference	0.11%	0.77%	0.63%	0.59%	0.75%	0.82%

*Annualised ** Index return on Strategic Asset Allocation

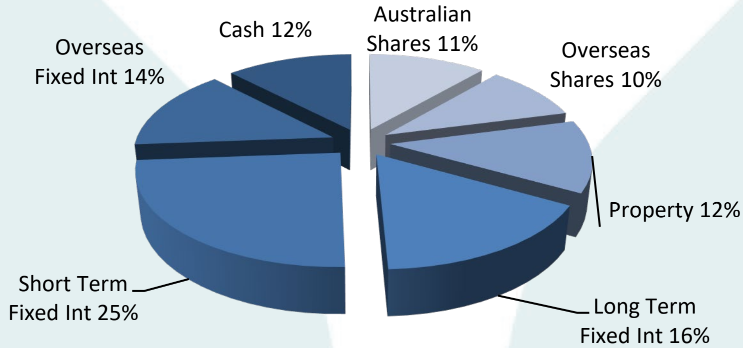
Objective:

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 3.22%, outperforming the benchmark return by 0.18%. The Strategy's 3 year return of 5.43% is 0.01% ahead of benchmark.

Fund size: $203 million.



Performance	Quarter %	1 year %	3 year %*	5 year%*	7 year%*	10 year%*
Return (after fees)	**3.22%**	**4.86%**	**5.43%**	**3.07%**	**3.06%**	**3.33%**
Benchmark**	3.04%	4.67%	5.42%	2.85%	2.88%	3.28%
Difference	0.18%	0.19%	0.01%	0.22%	0.18%	0.05%

*Annualised ** Index return on Strategic Asset Allocation

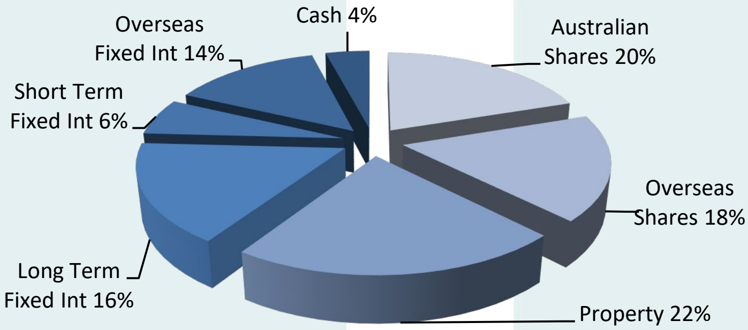
Objective:

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. The likelihood of a negative return for this strategy, is on average, between two and three years in twenty.

Balanced Investment Strategy

The strategy's return for the quarter was 4.68%, outperforming the benchmark return by 0.25%. The strategy's 5 year return of 3.85% is 0.46% below benchmark.

Fund size: $312 million.



Performance	Quarter %	1 year %	3 year %*	5 year%*	7 year%*	10 year%*
Return (after fees)	**4.68%**	**6.34%**	**6.63%**	**3.85%**	**4.18%**	**4.76%**
Benchmark**	4.43%	6.86%	7.22%	4.31%	4.42%	5.12%
Difference	0.25%	-0.52%	-0.59%	-0.46%	-0.24%	-0.36%

*Annualised ** Index return on Strategic Asset Allocation

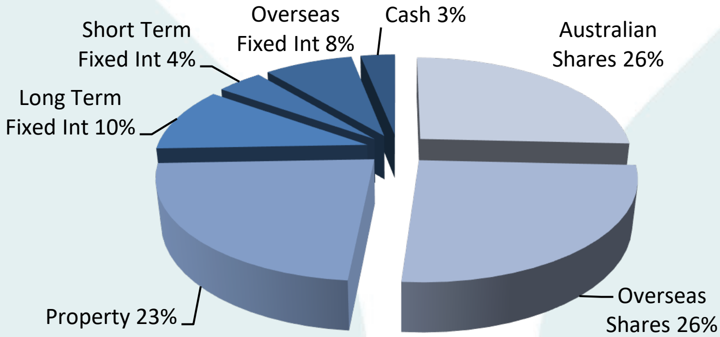
Objective:

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. The likelihood of a negative return for this strategy, is on average, between three and four years in twenty.

Growth Investment Strategy

The strategy's return for the quarter was 5.81%, outperforming the benchmark return by 0.23%. The strategy's 7 year return of 5.22% is 0.73% below benchmark.

Fund size: $222 million.



Performance	Quarter %	1 year %	3 year %*	5 year%*	7 year%*	10 year%*
Return (after fees)	**5.81%**	**7.39%**	**7.62%**	**4.56%**	**5.22%**	**5.99%**
Benchmark**	5.58%	8.48%	8.76%	5.57%	5.95%	6.71%
Difference	0.23%	-1.09%	-1.14%	-1.01%	-0.73%	-0.72%

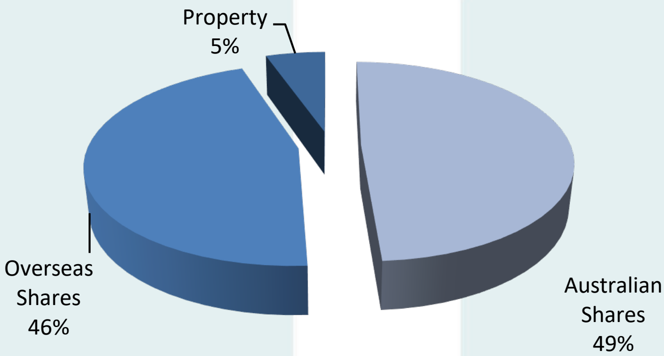
*Annualised ** Index return on Strategic Asset Allocation

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. The likelihood of a negative return for this strategy, is on average, between four and five years in twenty.

High Growth Investment Strategy

The strategy's return for the quarter was 8.53%, outperforming the benchmark return by 0.25%. The 10 year return of 8.59% is 1.43% below benchmark.



Fund size: $91 million.

Performance	Quarter %	1 year %	3 year %*	5 year%*	7 year%*	10 year%*
Return (after fees)	8.53%	8.84%	10.16%	5.90%	7.48%	8.59%
Benchmark**	8.28%	11.33%	12.95%	8.40%	9.20%	10.02%
Difference	0.25%	-2.49%	-2.79%	-2.50%	-1.72%	-1.43%

*Annualised ** Index return on Strategic Asset Allocation

Objective:

The High Growth strategy offers 95% exposure to the world's share markets and 5% exposure to property assets. 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, with some diversification through property. The likelihood of a negative return for this strategy, is on average, between five and six years in twenty. 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, and property.

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

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