



# FUNDS MANAGEMENT SERVICE

## QUARTERLY INVESTMENT REPORT

31 March 2026



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 – 31 March 2026

This Quarterly Investment Report presents the results of the Public Trustee's Funds Management Service for the quarter ended 31 March 2026.

The Public Trustee is a statutory entity founded in 1881. At the end of the March 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.

Returns for the March quarter were generally lower for Public Trustee's investment strategies, due to the conflict in the Middle East. For the quarter, Public Trustee's investment strategy returns range from 0.85% p.a. for Cash to -4.45% for High Growth, net of fees. Despite recent market volatility, one year returns are still positive, ranging 3.66% for Cash to 6.13% for High Growth.

Over the long-term, ten-year returns stand at 1.98% p.a. for Cash to 7.95% 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 31 March 2026

Investment Strategy	CPI Objective	Investment Horizon	Target Return % pa	Actual Return % pa	Over (+) / Under(-)
Capital Stable	CPI + 1.5% pa	3 Years	4.86%	4.54%	-
Balanced	CPI + 2.5% pa	5 Years	6.93%	3.65%	-
Growth	CPI + 3.5% pa	7 Years	7.13%	4.88%	-
High Growth	CPI + 4% pa	10 Years	6.99%	7.95%	+

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

**Tony Brumfield**  
Public Trustee  
May 2026

## ➤ Market Overview

### Global

Global financial markets were volatile and generally weaker over the March 2026 quarter. Artificial intelligence stocks experienced significant gains, while shifting expectations around interest rates and geopolitical tensions in the Middle East, added to market uncertainty. US equity markets underperformed broader developed markets over the quarter, whilst European equity markets ended the quarter slightly lower. Both Global Bonds (AUD-hedged) and Australian Bonds recorded negative returns of 0.30%.

### Australia

The Reserve Bank of Australia (RBA) increased interest rates twice during the quarter, taking the cash rate to 4.10%. The Australian dollar (AUD) appreciated against the US Dollar for the quarter, finishing at 69 US cents.

### Share Markets

Global share markets experienced a volatile first quarter of 2026. The quarter began with strong sentiment around Artificial Intelligent (AI) technology adoption, followed by a sharp decline in market sentiment towards the end of the quarter due to the escalation of geopolitical tensions in the Middle East. The MSCI World index (hedged to AUD) returned -4.3% for the quarter. In Australia, the S&P/ASX 300 index declined by 2.04% for the quarter. The Energy Sector was the strongest performer, returning 36.1%, while Information Technology lagged materially at -27.2%.

### Key Developments

Key developments over the quarter:

- Markets were volatile due to the ongoing conflict in the Middle East
- Oil prices spiked, raising concerns about inflation
- The RBA increased interest rates by 0.50%
- 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 interest rates two times, resulting in an interest rate of 4.10%. The funds' return was 0.85% for the quarter. The strategy's 10 year return of 1.98% is 0.84% 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 31 March 2026 was 3.50% p.a.

**Fund size:** \$531 million.

Performance	Quarter %	1 year %	3 year %*	5 year%*	7 year%*	10 year%*
<b>Return (after fees)</b>	<b>0.85%</b>	<b>3.66%</b>	<b>3.78%</b>	<b>2.51%</b>	<b>2.03%</b>	<b>1.98%</b>
<b>Benchmark**</b>	0.66%	2.77%	3.15%	1.89%	1.25%	1.14%
<b>Difference</b>	0.19%	0.89%	0.63%	0.62%	0.78%	0.84%

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

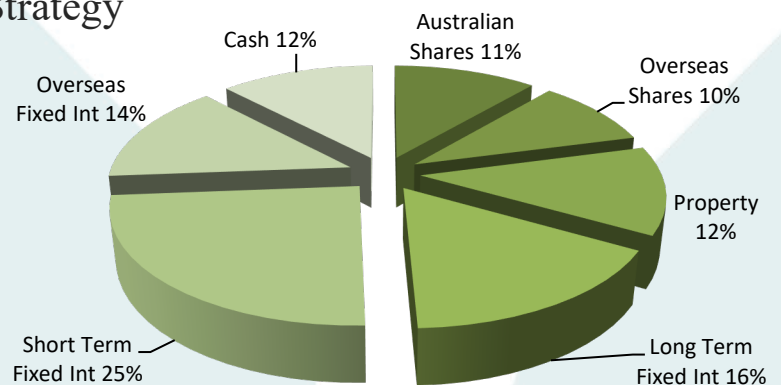
### Objective:

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 -0.68%, underperforming the benchmark return by 0.25%. The Strategy's 3 year return of 4.54% is 0.14% ahead of benchmark.

**Fund size:** \$205 million.



Performance	Quarter %	1 year %	3 year %*	5 year%*	7 year%*	10 year%*
<b>Return (after fees)</b>	<b>-0.68%</b>	<b>4.01%</b>	<b>4.54%</b>	<b>2.81%</b>	<b>2.83%</b>	<b>3.15%</b>
<b>Benchmark**</b>	-0.43%	4.53%	4.41%	2.64%	2.78%	3.17%
<b>Difference</b>	-0.25%	-0.52%	0.14%	0.17%	0.06%	-0.01%

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

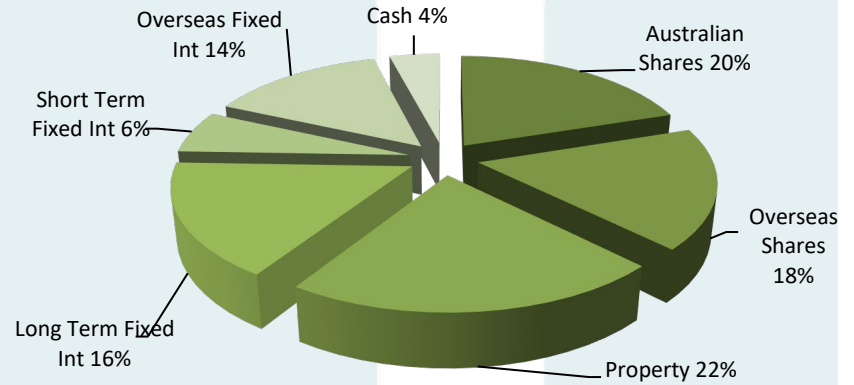
### Objective:

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 -1.35%, underperforming the benchmark return by 0.48%. The strategy's 5 year return of 3.65% is 0.50% below benchmark.

**Fund size:** \$313 million.



Performance	Quarter %	1 year %	3 year %*	5 year%*	7 year%*	10 year%*
<b>Return (after fees)</b>	<b>-1.35%</b>	<b>4.84%</b>	<b>5.31%</b>	<b>3.65%</b>	<b>3.89%</b>	<b>4.51%</b>
<b>Benchmark**</b>	-0.87%	6.60%	5.92%	4.15%	4.28%	4.97%
<b>Difference</b>	-0.48%	-1.76%	-0.61%	-0.50%	-0.39%	-0.46%

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

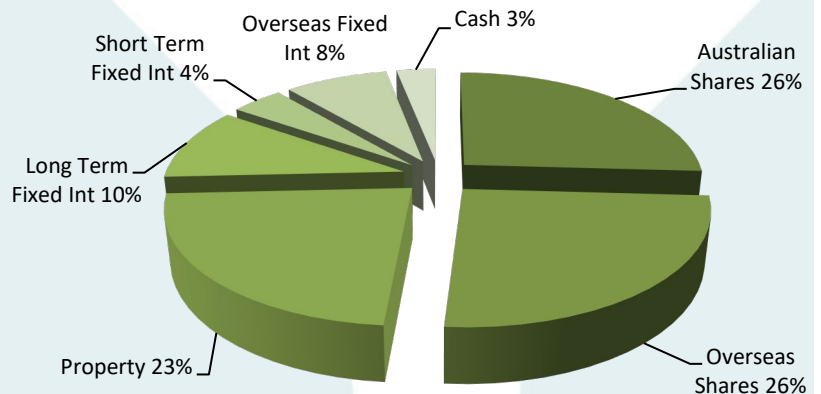
### Objective:

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 -2.03%, underperforming the benchmark return by 0.66%. The strategy's 7 year return of 4.88% is 0.86% below benchmark.

**Fund size:** \$227 million.



Performance	Quarter %	1 year %	3 year %*	5 year%*	7 year%*	10 year%*
<b>Return (after fees)</b>	<b>-2.03%</b>	<b>5.32%</b>	<b>6.09%</b>	<b>4.40%</b>	<b>4.88%</b>	<b>5.65%</b>
<b>Benchmark**</b>	-1.37%	8.04%	7.30%	5.47%	5.74%	6.46%
<b>Difference</b>	-0.66%	-2.72%	-1.21%	-1.07%	-0.86%	-0.81%

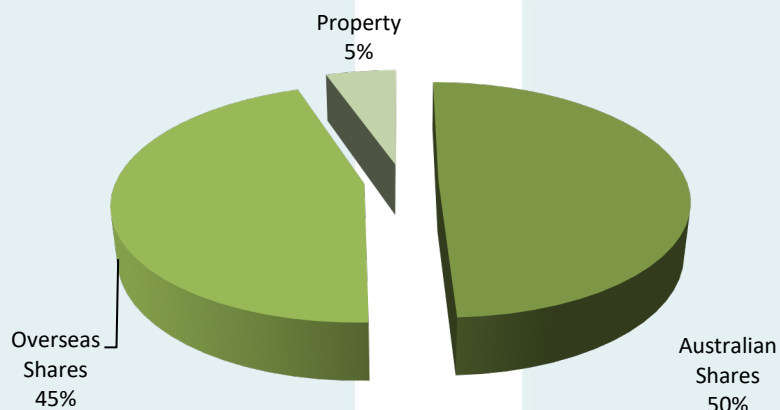
\*Annualised \*\* Index return on Strategic Asset Allocation

### 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.

## ➤ High Growth Investment Strategy

The strategy's return for the quarter was -4.45%, underperforming the benchmark return by 1.22%. The 10 year return of 7.95% is 1.56% below benchmark.



**Fund size:** \$91 million.

Performance	Quarter %	1 year %	3 year %*	5 year%*	7 year%*	10 year%*
<b>Return (after fees)</b>	<b>-4.45%</b>	<b>6.13%</b>	<b>8.37%</b>	<b>5.73%</b>	<b>7.03%</b>	<b>7.95%</b>
<b>Benchmark**</b>	-3.23%	11.26%	11.17%	8.35%	8.86%	9.51%
<b>Difference</b>	-1.22%	-5.13%	-2.80%	-2.62%	-1.83%	-1.56%

\*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. 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.**

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.

