Public Trustee of Queensland **Growth Trust**

Quarterly Market Report
June 2024

Quarter in review

Global equities

Global equity markets demonstrated strength and resilience during the June quarter, amid shifting forward rate expectations and robust economic data. Following a strong March quarter, global equity markets fell during the month of April, precipitated by escalating tensions in the Middle East and concerns over persistent inflationary pressures. Market sentiment took a further blow following a stronger than expected US Unemployment Survey for March, highlighting that the United States of America's Federal Reserve (the Fed) remains at a crossroad of tempering pre-emptive rate cut expectations amidst stronger than expected economic growth. Following this, in May, both the Reserve Bank of Australia (RBA) and Bank of England held the cash rate steady, signalling a cautious outlook toward the likelihood of near-term rate cuts. Though the month of June saw the European Central Bank make their first cut interest rates by 0.25% to 4.25%, responding to subdued inflation in the Eurozone and growing confidence in the persistence of disinflationary pressures. In contrast the Fed decided to keep rates unchanged, a decision that was universally anticipated given the previous signalling by Fed speakers and the underlying persistence of inflationary pressures throughout the calendar year. In this respect, the Fed sent a clear Hawkish message via its dot-plot projections with the median expectation of the Fed moving to expect only 1 interest rate cut in 2024, down from the 3 cuts initially envisaged in March. Similarly, the RBA held the cash rate at 4.35% during its June meeting, acknowledging that while inflation is easing, it is doing so more slowly than previously expected, with the recent Consumer Price Index (CPI) data in fact suggestive of a reacceleration of inflation, rising to 4.0% from 3.6% in the prior month. Despite market interest rate cut expectations continuing to be scaled back, the MSCI All Country World Index ex Australia (Australian Dollar Hedged, net) ended the quarter strongly, returning 3.26%. On a relative basis, the S&P500 Index (net) outperformed, returning 4.18%, whilst the S&P/ASX200 Accumulation Index underperformed, returning -1.05%.

Global fixed interest and cash

Global bond yields were volatile over the quarter as investors began pushing out their rate cut expectations on the back of stronger than expected macroeconomic data and renewed hawkishness from the Fed.

The Australian and United States of America (US) 10-year bond yields rose 0.35% and 0.20% respectively, ending the quarter at 4.31% and 4.40%. Elsewhere, the 10-year Japanese Government bonds ended the quarter 0.33% higher at 1.06% as the Bank of Japan was under sustained pressure to increase rates in order to bolster the significantly depreciated yen, which hit multi-decade lows against the US dollar and an all-time low against the euro. Looking ahead, the renewed divergence in global monetary policy and uncertainty around the forward path of interest rates is likely to remain a source of volatility for global bond markets.

Public Trustee Growth Trust returns

(net of fees) for quarter ended 30 June 2024

3 Month Actual Return	**-0.28**%
12 Month Actual Return	**10.84**%
3 Year Annualised Return	**3.62**%
5 Year Annualised Return	**4.53**%
7 Year Annualised Return	**5.11**%
10 Year Annualised Return	**5.18**%

Past performance is not a reliable indicator of future performance. Returns assume reinvestment of all distributions. Effective 7 April 2017, the investment strategy is to invest in the QIC Long Term Diversified Fund (formerly known as the QIC Growth Fund).

Public Trustee Growth Trust

as at 30 June 2024

Commencement date	**10 July 1996**
Fund size $ million	**209.7**
Buy price $ (post distribution)	**0.920059**
Sell price $ (post distribution)	**0.918587**
Distribution (cents/unit)	**4.8690**

The investment objective of the Growth Trust is to generate average returns (net of fees and costs) of CPI + 1.9% p.a. over rolling five year periods.

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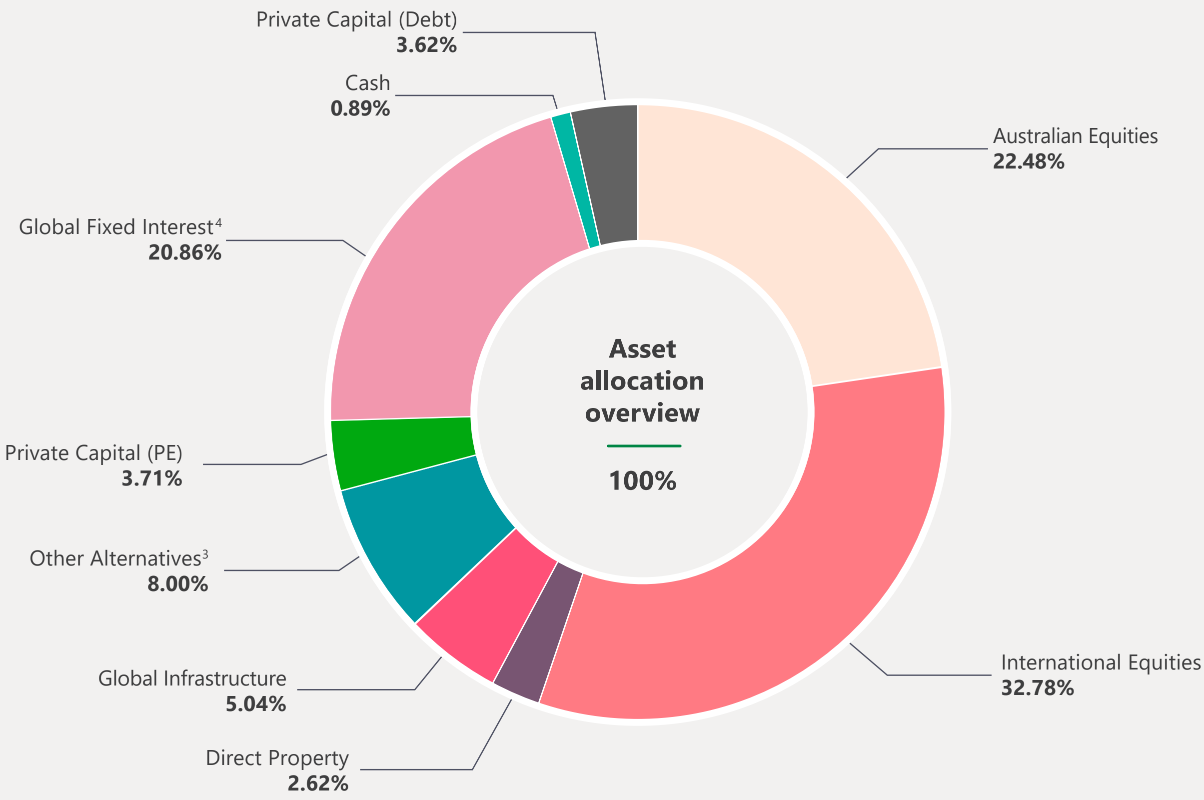
Asset allocation[1, 2]

as at 30 June 2024

Asset allocation: The Public Trustee of Queensland (PTQ) Growth Trust currently gains exposure to the various asset classes and investment sectors by investing in the QIC Long Term Diversified Fund and, may in the future, invest in the QIC Diversified Australian Equities Fund (QIC Funds). Liquidity for the PTQ Growth Trust is managed with an investment in the range of approximately 0.0% to 1.0% of the PTQ Growth Trust's assets in cash. The PTQ Growth Trust is a managed investment scheme that invests, indirectly, through the QIC Funds, in a diversified portfolio of assets including Australian and international shares, fixed interest, property, infrastructure, private equity, private debt, alternative assets and cash.



1. The PTQ Growth Trust gains investment exposure to the above asset classes by investing in the QIC Funds and cash. These ranges are determined by QIC and can and do change from time to time.
2. The QIC Funds' exposure to the asset class may be by direct or indirect ownership of the asset or exposure to the asset via derivative instruments.
3. May include investments in real assets such as Timber, Commodities, and Natural Resources.
4. Global fixed interest and credit exposures can be reported at various interest rate and credit spread durations respectively which will directly determine the volatility experienced. For example, if the interest rate duration target is 10 years, a 2% notional exposure to a fixed interest security with a duration of 8 years is reported as a 1.6% exposure. Similarly if the credit spread duration target is 5 years, a 2% notional exposure to credit with a duration of 3 years is reported as a 1.2% exposure. The QIC Long Term Diversified Fund defines and reports its fixed interest exposure in terms of 10-year interest rate duration and its credit exposure in terms of a 5-year credit spread duration. The QIC Long Term Diversified Fund may also contain inflation exposures, which may be implemented via either physical and/or synthetic instruments.

Contact us

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