

The Public Trustee of Queensland

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# Growth Trust

ABN 95 792 610 481

## Additional Information

Issued: 8 February 2024

Issued by: The Public Trustee of Queensland

ABN 12 676 939 467



This additional information forms part of the Product Information Statement for the Public Trustee of Queensland Growth Trust (ABN 95 792 610 481), (the “Public Trustee of Queensland Growth Trust” or “Growth Trust”) dated 8 February 2024. You should read this information together with the Product Information Statement before making a decision to invest into the Growth Trust.

## 10. Additional Information on Risks

The information in this document forms part of the Public Trustee of Queensland Growth Trust Product Information Statement dated 8 February 2024.

Other significant risks of investing in the Growth Trust include:

- **Counterparty risk:** This is the risk that parties to a contract (counterparties) may fail to honour their obligations under a contract. QIC Funds reduce counterparty risk by diversifying across a spread of counterparties and choose counterparties based on their credit ratings. Counterparty risk is monitored by QIC regularly and controlled by key contracts. The Growth Trust does not directly have contracts with counterparties.
- **Leverage:** Investment would be considered leveraged if total market exposure exceeds the market value of the funds. For the avoidance of doubt, QIC Funds will not be net levered by either direct borrowing or by the use of derivatives. The funds can however be leveraged on a gross basis by the use of derivatives. The Growth Trust does not directly use leverage.
- **Regulatory Risk:** This risk refers to the impact on securities, businesses or market sectors due to changes in laws or regulations. The Growth Trust will monitor legislative changes and the QIC Funds will be managed in accordance with any legislative requirements.
- **Inflation risk:** This is the risk that the rate of inflation exceeds the net after-tax return from your investment. In other words there is a risk that the purchasing power of your investment does not keep pace with inflation.

## 11. Additional Information on withdrawing your investment

The information in this document forms part of the Public Trustee of Queensland Growth Trust Product Information Statement dated 8 February 2024.

We may suspend processing withdrawals in the Growth Trust where the Growth Trust is terminated, although we will redeem units where the redemption request was received prior to the date of termination.

## 12. Additional Information on Fees and Costs

The information in this document forms part of the Public Trustee of Queensland Growth Trust Product Information Statement dated 8 February 2024.

## 13. Additional Explanation of Fees and Costs

### Trustee Fee

The Trustee Fee is payable under the Trust Deed Poll for acting as trustee and managing the Growth Trust. The Trustee Fee is calculated daily and is reflected in the unit price. It is paid monthly in arrears from the assets of the Growth Trust. From our Trustee Fee we pay the direct management fee payable to QIC for its investment management services, as well as indirect expenses associated with operating the Growth Trust, including fees and costs incurred by other service providers to the Growth Trust. These indirect expenses do not take into account the QIC Funds’ Expenses.

### QIC Funds’ Expenses

The Growth Trust invests primarily in the QIC Long Term Diversified Fund and, may in the future, invest in the QIC Diversified Australian Equities Fund. To manage liquidity PTQ will also maintain an investment within a range of approximately 0.0% to 1.0% of the Growth Trust’s assets in cash at bank. The QIC Funds’ Expenses estimate in the fee table represents the estimated administration and other expenses of the QIC Funds as advised by QIC. The QIC Funds’ Expenses are not paid directly by the Growth Trust, but are reflected in the value of the investment in the QIC Funds. Investors should appreciate that past expenses for the QIC Funds are not necessarily indicative of the future estimated expenses of the QIC Funds.

## 14. Other fees and costs

### Trustee Fee Rebate

A Trustee Fee Rebate is applicable for customers holding more than \$100,000 in the Growth Trust. The following table outlines the Trustee Fee Rebate applicable:

Investors Balance/Incremental Tiers		Rebate %
First \$100,000	Up to \$100,000	0.00% p.a.
Next \$150,000	\$100,001 – \$250,000	0.15% p.a.
Next \$250,000	\$250,001 – \$500,000	0.40% p.a.
Next \$500,000	\$500,001 – \$1,000,000	0.45% p.a.
Next \$9,000,000	\$1,000,001 – \$10,000,000	0.85% p.a.

Next \$15,000,000	\$10,000,001 – \$25,000,000	1.00% p.a.
Over \$25,000,000	\$25,000,001 +	1.05% p.a.

The Trustee Fee Rebate is calculated based on an investor's balance of units in the Growth Trust as at end of the month and uses the sell price applicable at that date. All Trustee Fee Rebates are paid by direct credit to your Public Trustee of Queensland – Common Fund – Cash Account and, for investors who are not a customer of the PTQ, subsequently transferred into your nominated account.

For example, if you had \$150,000 invested in the Growth Trust, you would be entitled to a Trustee Fee Rebate of \$6.25 per month.

### Investment Management Costs

Fees paid to QIC for the investment management of the Growth Trust are not an additional cost to the Growth Trust. The fees paid to QIC for the investment management of the Growth Trust are paid by PTQ from its own funds.

## 15. Buy-Sell Spread

The buy-sell spread represents the transactions cost associated with buying or selling assets when investors enter or withdraw from the Growth Trust. The buy-sell spread is an additional cost to you and retained by the Growth Trust. The buy-sell spread for the Growth Trust at date of publication is as follows:

	Buy spread	Sell spread
Growth Trust	0.08%	-0.14%

For example, if you invest \$50,000 in the Growth Trust, the cost of your buy spread would be \$40 and if you withdraw \$50,000 from the Growth Trust, the cost of your sell spread would be \$70.

We calculate the weighted average transaction costs of making and withdrawing investments in the QIC Funds at the end of each quarter to determine the buy-sell spread to apply to investments in, and withdrawals from, the Growth Trust for the next quarter. Therefore, the buy-sell spread may increase or decrease each quarter. The current buy-sell spread is available within the Product Profile on our website at <http://www.pt.qld.gov.au/about/publications/investments/>.

## 16. Transaction costs

Transaction costs associated with dealing with the Growth Trust's assets, such as a buy-sell spread and settlement costs when underlying assets are bought or sold, may be recovered from the Growth Trust.

Transaction costs incurred as a result of investors coming into and going out of the Growth Trust may be recovered by way of the buy/sell spread charged to investors.

Transaction costs not recovered through the buy-sell spread are additional costs to investors that reduce the assets of the Growth Trust and are in turn reflected in the unit price.

The transaction costs amount of 0.00 (being \$0 based on a \$50,000 holding) shown in the 'Fees and costs summary' in section 6 of the Product Information Statement are the transaction costs incurred for the 12 months to 30 June 2023 as a percentage of the net asset value of the Growth Trust, after taking into account the costs recovered by way of the buy/sell spread, which reflects that, for the financial year ended 30 June 2023, amounts received by way of the buy-sell spread exceeded transaction costs. The transaction costs incurred for that period, before taking into account the costs recovered by way of the buy-sell spread, as a percentage of the net asset value of the Growth Trust is 0.03%, being \$15 based on a \$50,000 holding.

Transaction costs may vary for many reasons. As an example, the buy-sell spread charged by the QIC Funds may increase, which may affect the level of transaction costs not covered in the buy/ sell spread charged by the Growth Trust to investors.

### Changes to Fees and Other Costs

We reserve the right to change fees and other costs, but subject to any limitations under the Trust Deed Poll and applicable law. We will give investors thirty (30) days' notice prior to increasing any fees. The Trustee Fee currently charged is less than the maximum permitted under the Fees and Charges Notice (No.1) (2021) of 1.61% p.a. (including GST).

### Goods and Services Tax (GST)

The fees and costs are GST inclusive amounts, net of any expected reduced input tax credits.

If, for any reason, the Growth Trust is not eligible to receive an input tax credit from the ATO for expenses incurred, the additional GST cost will be incurred by the Growth Trust.

### Taxes

A summary about the taxation considerations of investing in the Growth Trust is set out in section 7 of the Product Information Statement.

## 17. Additional Information on Tax

The information in this document forms part of the Public Trustee of Queensland Growth Trust Product Information Statement dated 8 February 2024.

### Tax treatment of your investment

It is important that you seek professional taxation advice before you invest or deal with your investment, as the taxation system is complex, and the taxation treatment of your investment will be specific to your circumstances and to the nature of your investment.

Generally, however, you are liable to pay tax at marginal rates each year on any distributions from the Growth Trust (with the exception of a return of capital), even if the distributions are reinvested, although you may be entitled to tax credits or concessional income such as capital gains.

Please note that at the time of your initial or additional investment there may be unrealised capital gains or accrued income in the Growth Trust. If these amounts are subsequently realised, they may be returned to you as part of a distribution from the Growth Trust.

In addition, there may be realised but undistributed capital gains or income in the Growth Trust. These amounts may be returned to you as part of the next distribution from the Growth Trust.

You may also be liable to pay capital gains tax on any capital gains received from disposing of your investment.

If the Growth Trust holds investments which are located outside of Australia, the Growth Trust's income may include non-Australian sourced income. You may be entitled to foreign tax credits for foreign tax already paid.

### Providing a Tax File Number (TFN)

You do not have to provide a TFN, exemption code or Australian Business Number (ABN) when you complete an application to invest or reinvest in the Growth Trust. However, if you do not provide any of these, we are required to deduct tax from most distributions, including where those distributions are reinvested, at the highest marginal tax rate, plus the Medicare levy.

## 18. Additional Information on Investment Management Agreement

The information in this document forms part of the Public Trustee of Queensland Growth Trust Product Information Statement dated 8 February 2024.

We, as trustee of the Growth Trust, have entered into an Investment Management Agreement with QIC relating to the ongoing management of the Growth Trust's investments. QIC is entitled to be paid fees, and reimbursed for expenses incurred, for providing investment management services in accordance with the terms of the Investment Management Agreement. We pay QIC's fees and expenses from our Trustee Fee and information about our Trustee Fee is provided in the 'Additional Information on Fees and Costs' section of this document.

Whilst the Investment Management Agreement is ongoing in nature, it may be terminated in several circumstances including:

- by either party giving at least six months' notice to the other party (or such shorter period as agreed by the parties); and
- immediately by us in the event of insolvency of QIC, if QIC ceases to carry on business, if QIC breaches the Investment Management Agreement and fails to remedy the breach within the period specified in the agreement, or if QIC sells or transfers its main business or undertaking other than for the purposes of a corporate reconstruction previously approved by us.