

Quarterly Market Report

December 2025

Quarter in review

Global equities

Global equities in the December quarter experienced bouts of volatility but ultimately delivered a resilient performance against a backdrop of ongoing geopolitical tensions, a prolonged United States (US) government shutdown, persistent inflation, and ongoing debate around a potential AI-driven market bubble. In the US, the longest federal government shutdown on record ended in November after 43 days, allowing the release of delayed economic data. In its December meeting, the US Federal Reserve (Fed) delivered its third rate cut for the year, lowering rates by 0.25% to a range of 3.50%–3.75%. Fed Chair Jerome Powell stressed the challenging position the Fed has of balancing economic growth and managing inflation, noting 'there is no risk-free path'. In Australia, the Reserve Bank of Australia (RBA) kept rates on hold at its November and December meetings. Remarks from Governor Michele Bullock after the December meeting were distinctly hawkish, ruling out the likelihood of near-term rate cuts and signalling that increases may be required if inflationary pressures persist. The MSCI All Country World Index ex Australia (Hedged to the Australian Dollar, net) rose 3.73% for the quarter, while the S&P 500 Index (net) returned 2.56%. In contrast, the Australian market underperformed, weighed down by the financial sector and a higher interest-rate outlook. The S&P/ASX 200 Accumulation Index (net) returned -1.01% for the quarter.

Global fixed interest and cash

Global bond markets experienced upward pressure on yields in the quarter. The US 10-year Treasury yield rose by 0.02% closing the quarter at 4.17%. This occurred despite the Fed delivering its third consecutive cut in December, as Chair Powell's remarks that the rate was 'within a range of plausible estimates of neutral' prompted markets to reassess expectations for further easing. In Australia, the 10-year government bond yield climbed 0.44% to 4.74%, reflecting a hawkish stance from the RBA as it pushed back against rate-cut expectations amid persistent inflationary pressures. In Japan, the 10-year Japanese government bond yield increased by 0.42% to 2.07%, the highest yield since the 1990s. This move followed the Bank of Japan's historic decision to end decades of ultra-loose monetary policy with a December rate hike.



Public Trustee of Queensland Growth Trust returns

(net of fees) for quarter ended 31 December 2025

3 Month Actual Return	2.02%
12 Month Actual Return	12.24%
3 Year Annualised Return	11.42%
5 Year Annualised Return	7.23%
7 Year Annualised Return	7.26%
10 Year Annualised Return	6.56%

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 of Queensland Growth Trust

as at 31 December 2025

Commencement date	10 July 1996
Fund size \$ million	223.2
Buy price \$ (post distribution)	0.982287
Sell price \$ (post distribution)	0.981697
Distribution (cents/unit)*	1.1617

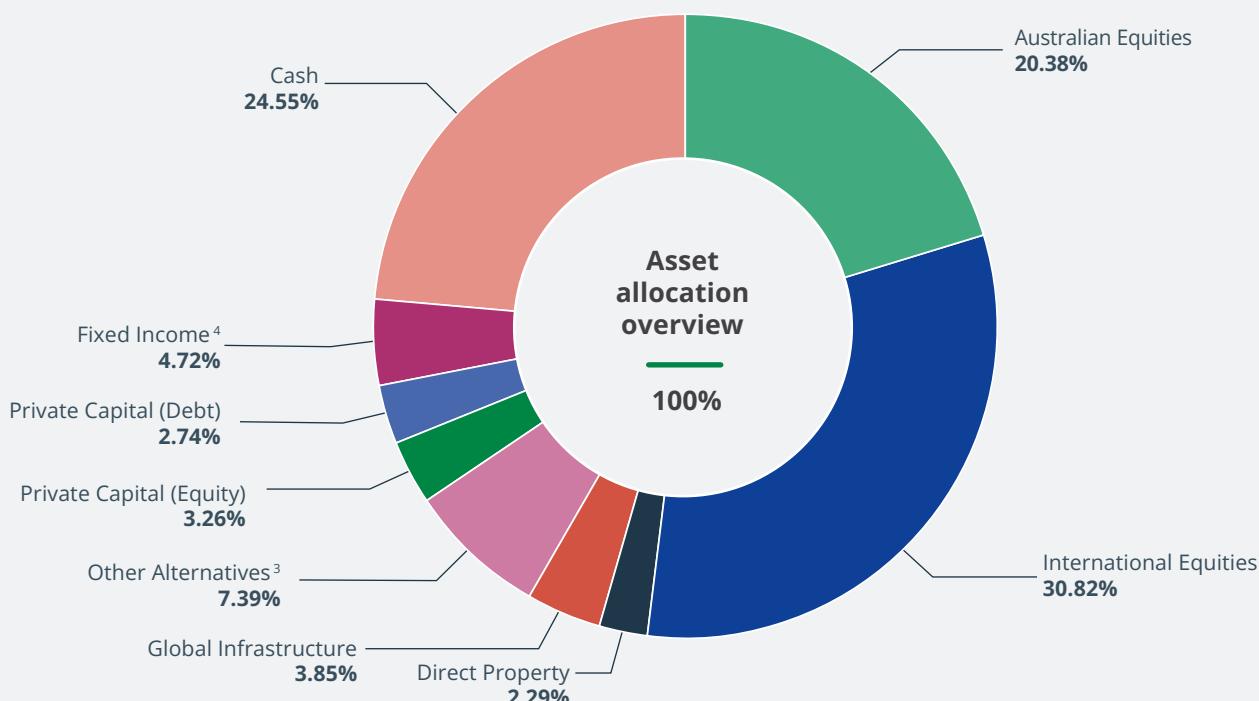
*Cents rounded to four decimal places

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.

Asset allocation^{1, 2}

as at 31 December 2025

Asset allocation: The Public Trustee of Queensland Growth Trust (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 Growth Trust is managed with an investment in the range of approximately 0.0% to 1.0% of the Growth Trust's assets in cash. The 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 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. The QIC Long Term Diversified Fund holds physical fixed income assets and synthetic overlay exposures to gain fixed interest exposures. The reported Fixed Income allocation represents the allocation to physical Fixed Income instruments which may include Sovereign, Credit and/or Inflation physical exposures.

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