Public Trustee of Queensland Growth Trust (Growth Trust)

Quarterly Market Report

June 2026

Quarter in review

Economic and investment market update

Over the June quarter, the economic outlook continued to be clouded by the Middle East conflict and its wide-ranging implications for global markets. Despite this, markets remained resilient, largely buoyed by the Artificial Intelligence (AI) thematic. Nevertheless, the closure of the Strait of Hormuz has lifted energy prices and inflation. Spillovers to other commodities and global supply chains raise the risk of more persistent inflationary conditions and may force more aggressive central bank tightening.

The Reserve Bank of Australia (RBA) has implemented three rate hikes so far in 2026, bringing the cash rate to 4.35% in May before keeping rates on hold in June. The domestic economy presents a challenging cyclical backdrop as inflation, which was already elevated prior to the Iran War, and higher interest rates weigh on sentiment. These conditions have weighed particularly on financial institutions.

Global equities

Global equity markets proved to be robust and resilient following the pronounced volatility experienced in March amid heightened geopolitical uncertainty. Overall market sentiment was supported by expectations of a near-term resolution to the Middle East conflict and subsequent falling oil prices.

The overwhelming tailwind in equities continued to be the AI thematic as investor attention moved beyond future productivity expectations to include the materialisation of earnings, recurrent revenue and a clearer scale of investment requirements along the AI value chain. As a result of solid corporate earnings performance, coupled with material demand for semiconductors, data centres and electricity infrastructure, the global economy has absorbed shocks that once would have curtailed, or even derailed, growth.

While equity market performance moderated in June following record gains through April and May, global equities still delivered emphatically strong returns over the quarter. United States (US) Equities delivered strong performance, with the S&P 500 Total Return Index rising 15.10% for the quarter. Likewise, Japan, benefited from AI-related investment, reflationary conditions, ongoing corporate reforms and a favourable pro-business regulatory environment to maintain its strong momentum, with the Nikki 225 Total Return Index gaining 37.32% over the quarter. European markets recorded strong gains during the quarter, with the FTSE 100 Total Return Index and Euro Stoxx 50 Total Return Index advancing 4.04% and 15.23%, respectively. Australian equites also posted more modest returns, with the S&P/ASX 200 Accumulation Index returning 4.05% for the quarter.

Global fixed interest and cash

Global bond yields remained volatile, reflecting ongoing concerns around inflation risks and structurally higher government borrowing requirements. In the US, the 10-year Treasury yield rose 0.15% over the quarter to 4.47%. Japanese 10-year government bond yields increased 0.33% over the quarter to 2.68%, reflecting persistent inflationary pressures and a rising issuance outlook. In contrast, Australian 10-year government bond yields declined by 0.25% over the quarter to 4.72% as investors scaled back expectations of further rate hikes following signs of moderating economic growth and more balanced commentary from the RBA.

Returns[1] (net fees[2])

for quarter ended 30 June 2026

3 Month Actual Return	**5.35%**
12 Month Actual Return	**10.74%**
3 Year Annualised Return	**10.93%**
5 Year Annualised Return	**6.50%**
7 Year Annualised Return	**6.33%**
10 Year Annualised Return	**6.79%**

[1] Past returns should not be taken as an indication of future returns.

[2] Net Return is calculated from end of month exit price to exit price with distributions reinvested. Periods greater than one year are annualised.

Growth Trust

as at 30 June 2026

Commencement date	**10 July 1996**
Fund size $ million	**215.6**
Buy price $ (post distribution)	**0.955811**
Sell price $ (post distribution)	**0.955333**
Distribution (cents/unit)*	**3.9532**

*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.

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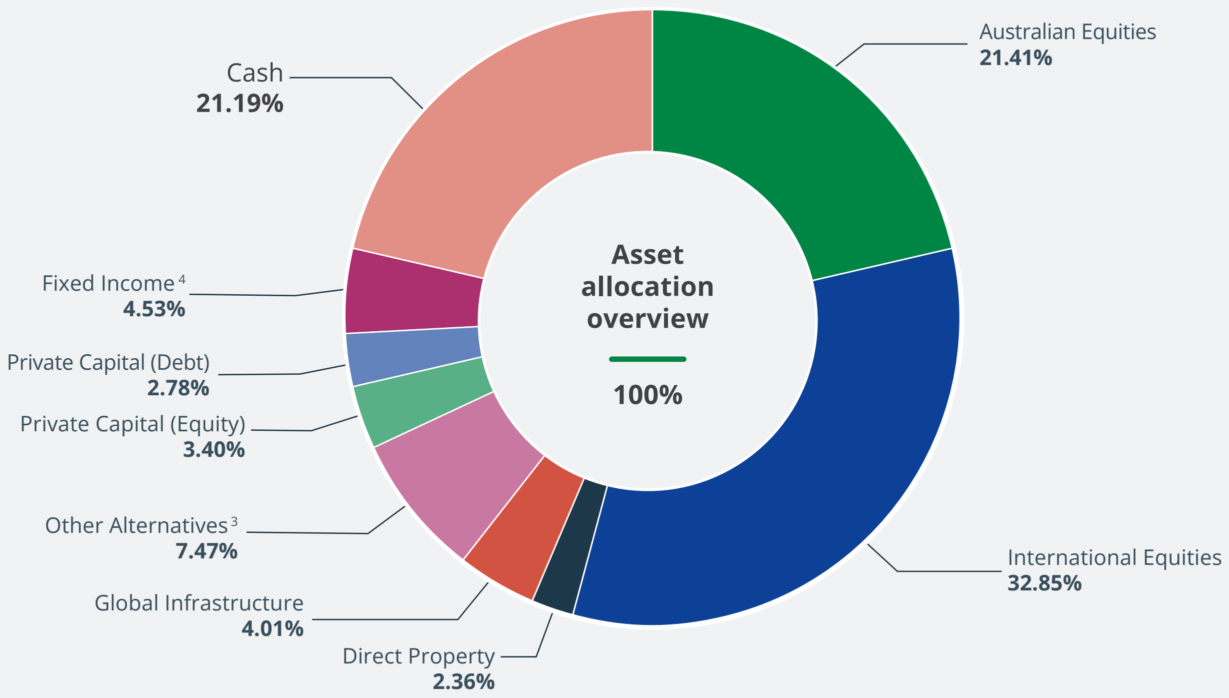
Asset allocation[1, 2]

as at 30 June 2026

Asset allocation: The 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.

Contact us

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