

# Quarterly Market Report

## March 2026

### Quarter in review

#### Global equities

Global financial markets were dominated by developments in the Middle East in March as investors reacted to the unfolding Iran conflict and assessed its implications for the global economy. The closure of the Strait of Hormuz — through which around 20% of global oil and liquefied natural gas (LNG) trade passes — triggered sharp increases in oil and LNG prices. The energy price shock is expected to lead to significantly higher inflation and risk broader supply chain disruptions. While financial market reactions to date have remained broadly consistent with a temporary shock, the economic fallout will depend on the intensity and duration of the war.

Global equity markets declined during the March quarter, driven by weakness in the US software sector and an escalation of conflict in the Middle East. The MSCI All Country World Index ex Australia (hedged to the Australian Dollar, net) finished the quarter down 2.8%. US equities weakened over the quarter, with the S&P 500 Index (net) declining 4.4%, marking the weakest quarter for US large cap equities since 2022. Early in the quarter, US software stocks sold off amid concerns that software as a service business models could be disrupted by improving AI capabilities. Market volatility increased further in March as geopolitical tensions in the Middle East intensified. Japanese equities were a notable outperformer, with the Nikkei 225 Total Return Index (net) rising 2.0% over the quarter. Strong gains earlier in the period, following the Liberal Democratic Party's landslide election victory more than offset the subsequent losses in March amid heightened geopolitical uncertainty. European equities lagged, reflecting heightened energy related risks and broader geopolitical concerns. The Eurostoxx 50 Index declined 3.6% over the quarter.

In Australia, the economy's heavy reliance on imported oil leaves it exposed to higher global energy prices, with the risk of domestic fuel shortages remaining elevated. Reflecting these pressures, the S&P/ASX 200 Accumulation Index (net) ended the quarter down 1.6%.

#### Global fixed interest and cash

Global bond yields rose sharply over the quarter as investors priced in higher interest rates in response to the energy-driven inflationary shock. In addition to higher inflation risks, markets continue to face uncertainty around fiscal and policy responses to the Middle East conflict. The Reserve Bank of Australia lifted rates by 0.25% at both the February and March meetings as the conflict added to already elevated inflationary concerns. The Australian 10 year government bond yield rose 0.23% to end the quarter at 4.97%. In the United States, the 10 year Treasury yield increased 0.15% to 4.32%. Japan's 10 year government bond yield also saw a significant rise of 0.29% to close at 2.35%. The rise in global bond yields reflects a combination of higher inflation expectations driven by elevated energy prices and shifting expectations for the future paths of central bank policy.



#### Public Trustee of Queensland Growth Trust returns

(net of fees) for quarter ended 31 March 2026

3 Month Actual Return	<b>-1.22%</b>
12 Month Actual Return	<b>10.54%</b>
3 Year Annualised Return	<b>9.58%</b>
5 Year Annualised Return	<b>6.36%</b>
7 Year Annualised Return	<b>6.02%</b>
10 Year Annualised Return	<b>6.53%</b>

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 March 2026

Commencement date

**10 July 1996**

Fund size \$ million

**215.1**

Buy price \$ (post distribution)

**0.944915**

Sell price \$ (post distribution)

**0.944349**

Distribution (cents/unit)\*

**2.5331**

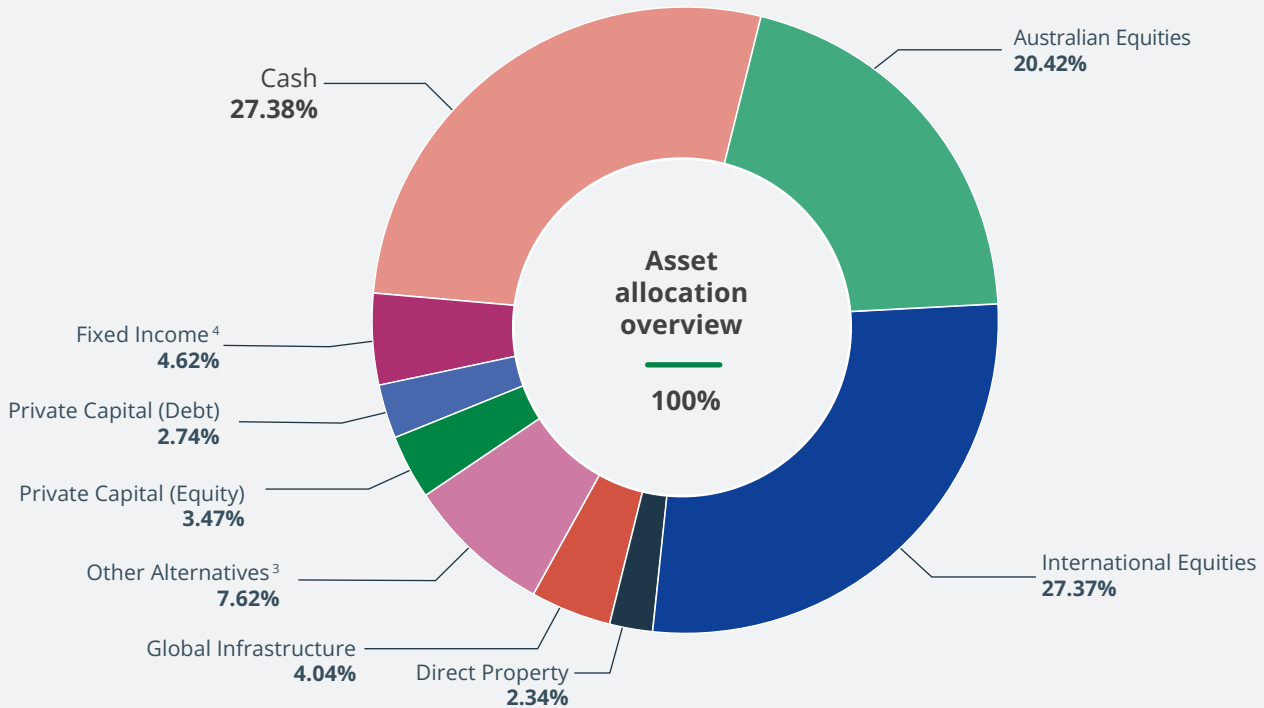
\*Cents rounded to four decimal places

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<sup>1, 2</sup>

as at 31 March 2026

**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.

### Contact us

Phone **1300 360 044**

Email **clientenq@pt.qld.gov.au**

Web **www.pt.qld.gov.au**

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