

Policy

Public Trustee Investment Funds Unit Pricing Policy

Version: 1.8 | **Version effective date:** 01/07/2026

Supersedes: Unit Pricing Policy – February 2019

Scope

The Policy applies to Investment Advisory Services employees (including permanent, part time and temporary staff contractors and consultants or other person authorised by The Public Trustee of Queensland), Director Investment Advisory and Taxation Services, Executive Director Investments & Finance Services & CFO and The Public Trustee of Queensland (QPT).

Purpose

The purpose of this policy is to document the principles, framework and matters to be taken into consideration when striking prices for the Public Trustee of Queensland Growth Trust (ABN 95 792 610 481) (Growth Trust) and Australian Foundation for Charitable Trusts (ABN 25 970 014 066) (AFCT) collectively known as the Public Trustee Investment Funds ("Funds"). This policy may change from time to time at the discretion of QPT.

Policy statement

QPT is strongly committed to regulatory principles and industry standards governing the Unit Pricing Policy framework.

Distribution

This policy will be made available to the following parties:

- QPT staff
- The Administrator for the Funds
- The Investment Manager for the Funds
- Unitholders (internal and external) of the Funds – QPT website
- Queensland Audit Office ("QAO") – upon request

Updates – *this policy may be updated periodically. The policy will be reviewed on an annual basis to ensure that it remains relevant, current and compliant with all applicable laws, standards and guidance notes.*

Legislative, fiduciary and other compliance responsibilities

This policy should be read in conjunction with:

Public Trustee Investment Funds - Unit Pricing Policy

- [Public Trustee Act 1978](#)
- Trust Deed Poll dated 10 July 1996*
- Supplemental Deed of Variation 24 April 2013*
- Supplemental Trust Deed Poll 25 June 2015*
- Supplemental Trust Deed Poll 12 May 2017*
- Supplemental Trust Deed Poll 15 February 2018*
- Supplemental Trust Deed Poll 17 May 2021*
- [Growth Trust Product Information Statement dated 1 June 2024](#)
- [Growth Trust Additional Information dated 1 June 2024](#)
- [ASIC and APRA Regulatory Guide 94 - "Unit Pricing Guide to Good Practice"](#)
- [FSC Guidance Note No. 48 "Scheme Pricing"](#)
- [FSC Guidance Note No. 50 "Valuation of Scheme Assets and Liabilities"](#)
- [FSC Guidance Note No. 51 "Errors in Pricing / Crediting Rates when Determining Scheme Interest – Correction and Compensation"](#).

* QPT internal document

Discretion to Deviate from Unit Pricing Policy

QPT reserves the right to deviate from the Unit Pricing Policy where it is considered reasonable and it protects the equitable treatment of unitholders.

Deviations require the approval of the Director Investment Advisory and Taxation Services and will be communicated to the administrator and unitholders per this policy.

Principles

The following principles are to be taken into consideration:

1. ASIC Compliance and Obligations

The Funds are not subject to oversight by the Australian Securities and Investments Commission (ASIC) nor are the Funds subject to oversight by the Financial Services Council (FSC). QPT is a Crown instrumentality or agency and is not bound by the *Corporations Act 2001*. Therefore, QPT is not required to hold an Australian Financial Services Licence, register the Funds with ASIC or issue a product disclosure statement to offer investment in the Funds.

QPT has opted to ensure best practice is adopted with respect to unit pricing by voluntarily adopting the recommendations of the joint ASIC and APRA Regulatory Guide 94 - "Unit Pricing Guide to Good Practice", where it is sensible to do so.

2. Use of Discretion

QPT will exercise appropriate discretion in the calculation of unit prices where it is considered prudent to do so.

Public Trustee Investment Funds - Unit Pricing Policy

3. Contracting Arrangements

QPT has contracted the functional calculation of unit prices to the Administrator. However, QPT retains primary responsibility and accountability to our unitholders for the accuracy of the prices struck.

4. Equitable Treatment of Unitholders

QPT will ensure that all unitholders are always treated equitably with respect to the unit prices struck and transactions made against those prices. In this context "Equitably" means that no unitholder will be disadvantaged more than another unitholder and does allow for the possibility that some unitholders may be advantaged more than others in certain circumstances. Equitably does not mean equally.

5. Fair Value of Assets and Liabilities

Asset valuation methodologies are developed in accordance with FSC Guidance Note No. 50 'Valuation of Scheme Assets and Liabilities' and Generally Accepted Accounting Principles.

The Funds invests in wholesale trusts operated by an external fund manager. The valuation of holdings in the wholesale trusts is reliant on the timely provision of unit prices from the external fund manager.

6. Recognition / De-recognition

The Funds recognises financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets and financial liabilities from this date.

Investments are derecognised when the right to receive cashflows from the investments has expired or the Fund has transferred substantially all risks and rewards of ownership.

7. Fees and Expenses

All expenses of the Funds are recognised on an accruals basis. Accruals for fees are made daily and reflected in the unit prices of the Funds when calculated. Accruals for expenses are made daily for the purposes of covering expected expenses of the Funds and reflected in the unit price of the Funds when calculated.

Methodology

The Growth Trust adopted Forward Pricing methodology effective from 6 May 2013, and the AFCT has utilised Forward Pricing since establishment.

Forward Pricing refers to the practice of basing investments and withdrawals to and from the Funds, on prices calculated with respect to the next official wholesale trusts valuation.

Therefore, the applying unitholder does not share in the earnings on that day since the application is processed using the price calculated at the end of the day.

Public Trustee Investment Funds - Unit Pricing Policy

Calculation

1. Frequency

Soft close unit prices for the Funds are usually struck on business days (i.e. any day that is not a public holiday in Queensland) that are a Tuesday or Thursday for the Growth Trust, and the third Thursday of the month for the AFCT. These soft close unit prices are calculated using soft close valuations.

'Soft close valuations' means valuations that are based on accurate estimates of market prices and accounting values at a particular point in time.

Hard close unit prices for the Funds are struck monthly using month end hard close valuations and are used for performance calculations.

'Hard close valuations' means valuations that are based on actual final market prices and accounting values at a particular point in time.

2. Rounding of Unit Pricing

The unit prices calculated for the Funds will be rounded to the sixth decimal place of a dollar - (\$0.000000).

3. Rounding of Units

The units issued for the Funds will be rounded to the fourth decimal place of a unit - (0.0000).

4. Capital Value (Net Asset Value) (NAV)

The formula for the calculation of Net Asset Value of the Funds is set out in the Trust Deed Poll, but can be summarised as:

Capital Value = Gross Asset Value - Total Liabilities

Where:

Gross Asset Value is the sum of the value of all assets plus any amounts which, in the opinion of QPT, should be included for the purpose of making a fair and reasonable determination of the value of the Funds.

In particular:

- **Unlisted Unit Trusts** - investments in the wholesale trusts are valued by QPT at market value based on the mid (NAV) price at balance date.
- **Receivables** - the carrying amounts of receivables are assumed to approximate their fair values due to their short-term nature.

Total Liabilities are all liabilities of the Funds as recorded on an accruals basis in accordance with Generally Accepted Accounting Principles.

Under current legislation, the Funds are not subject to income tax as unitholders are presently entitled to the income of the Funds and therefore no provisions are made in the calculation of unit prices.

5. Application / Buy Price

The application price of a unit in the Funds is determined under the Trust Deed Poll but can be summarised as follows:

Public Trustee Investment Funds - Unit Pricing Policy

$$\text{Application price} = \frac{\text{Capital Value} + \text{Transaction Cost (TC)}}{\text{Total Units (TU)}}$$

Practically, the above equation can be further expanded as follows:

$$\begin{aligned}\text{Application price per unit} &= \frac{NAV + NAV * TC\%}{TU} \\ &= \frac{NAV}{TU} + \frac{NAV * TC\%}{TU} \\ &= NAV_{per-unit}(1 + TC_{per-unit}\%) \end{aligned}$$

6. Redemption / Sell Price

The redemption price of a unit in the Funds is determined under the Trust Deed Poll but can be summarised as follows:

$$\text{Redemption price} = \frac{\text{Capital Value} - \text{Transaction Cost}}{\text{Total Units}}$$

Practically, the above equation can be further expanded as follows:

$$\begin{aligned}\text{Redemption price per unit} &= \frac{NAV - NAV * TC\%}{TU} \\ &= \frac{NAV}{TU} - \frac{NAV * TC\%}{TU} \\ &= NAV_{per-unit}(-TC_{per-unit}\%) \end{aligned}$$

7. Changes to Calculation Methodology

Any changes to the above mentioned calculation methodology will be raised and discussed with the Administrator prior to implementation. Following approval by QPT, Investment Advisory Services will provide the Administrator with written correspondence identifying the change to the methodology and the reason for this change. A date for implementation of the revised methodology will need to be agreed between both parties.

Fees and Charges

The following fees and charges are accrued within the Funds and are therefore included in the unit price struck for the Funds:

- Any fees incorporated in the prices of underlying investments. For example, investments in wholesale trusts will be valued by QPT at a mid-price that will incorporate any fees payable by the relevant wholesale trust.
- Trustee Fees payable to QPT in the role of Trustee and manager of the Funds as prescribed in the *Public Trustee Act 1978*. These are accrued daily in the unit price.

The following fees and charges relating to the Growth Trust and are paid directly by QPT.

- Registry and accounting fees paid to the Administrator.
- Investment Management fees paid to the external Investment Manager.
- Audit fees paid to QAO.

Public Trustee Investment Funds - Unit Pricing Policy

- Consultant and other ad hoc fees paid from time to time in relation to the Funds.

Unlike the Growth Trust, all fees and charges are paid directly from the AFCT.

There are no entry, exit, transfer or switching fees. All transactional costs for the Funds are incorporated within the buy-sell spread.

Disclosure

The total cost to the unitholder will be reported as the Annual Management Cost (AMC) and will be disclosed within the respective Fund's Product Profile.

The AMC for the Funds is the ratio of each Funds costs, that are not deducted directly from a unitholder's account, to each Funds' total average net assets.

The AMC for the Growth Trust is generally represented as:

$$\text{AMC} = \text{Trustee Fee} + \text{Wholesale Trusts Expenses}$$

The AMC for the AFCT is generally represented as:

$$\text{AMC} = \text{Trustee Fee} + \text{Wholesale Trusts Expenses} + \text{Investment Manager Fee} + \text{AFCT Administration and Registry Service Fees}$$

The wholesale trusts may pay management fees to external managers who assist in the management of a portion of the underlying assets of the trust. The wholesale trust may also agree to pay additional fees for some investment managers for performance that exceeds specified targets. These performance fees are variable and have been included in the AMC.

Transaction Costs (Buy-Sell Spreads)

QPT may make an adjustment for transaction costs necessarily incurred in the calculation of the application and redemption price. These are known within the industry as a buy-sell spread.

When a unitholder redeems units, the Funds must sell underlying securities to raise the redemption proceeds. Similarly, when a unitholder applies for units, the Funds must buy underlying securities to invest the application monies. In doing so the Funds will necessarily incur transaction costs such as brokerage or buy-sell spreads in the wholesale trusts.

The buy-sell spread of the Funds are QPT's estimate of these transaction costs and is based upon an analysis of actual costs incurred. The spread is reviewed on a quarterly basis for reasonableness and from time to time where specific transitional events occur.

The buy-sell spread of the Funds is designed to minimise the impact to existing unitholders within the Funds and remains within the Funds. They are not fees and do not pass to the Trustee or Administrator.

Buy side and sell side spread does not necessarily need to be symmetrical. For example, in the June Quarter of 2021, as the Corona Virus Pandemic was ending, the sell side spread was considerably larger than the buy side due to inflation rising rapidly creating market volatility. QPT retains responsibility for all spread calculations and will advise the Administrator in the event of any changes. As part of this process the

Public Trustee Investment Funds - Unit Pricing Policy

Administrator will be required to provide evidence to QPT that the revised spread has been correctly incorporated into the unit price.

The buy-sell spread will be disclosed on the Product Profiles for the Funds.

Significant Cash Flows

If the value of a transaction is greater than 5% of the overall Funds value, delays in completing the transaction may occur.

Tolerance Levels

There are two sets of tolerance levels which will apply in the administration of the Fund.

- **Unit Pricing Assurance** – at the point at which the prices are struck for the Funds; differences between the price to price performance and the wholesales trusts' performance which exceed the tolerance level will be substantiated and authorised prior to the release of the prices.
- **Error Threshold** – all errors will be considered on a case-by-case basis considering prevailing circumstances, however, those errors in excess of this threshold (refer to table below) at a fund level will be automatically deemed to be compensatable and the error protocol will be adopted.

Fund	Pricing Assurance Tolerance	Error Threshold
Growth Trust	0.10%	0.30%
AFCT	0.10%	0.30%

The thresholds listed above may be changed from time to time at the discretion of QPT.

Error Protocol

In line with industry practice, QPT will adhere to FSC Guidance Note No. 51 when determining the appropriate treatment of errors that may occur from time to time.

QPT considers that a unit pricing error has occurred if unit holders do not receive the correct number of units on application or the correct proceeds on redemption to which they are entitled.

In determining whether a compensatable error exists, QPT will take into consideration the following:

- The materiality threshold at a fund valuation level will be 0.30% (30 basis points) for the Growth Trust and the AFCT; or
- The materiality at an individual valuation level will be 0.30% (30 basis points) for the Growth Trust and the AFCT.
- Errors less than \$20 will not be compensated for exited unitholders.
- QPT must not benefit in any way from an error.

Having determined that a compensatable error exists, the following process will be adopted:

- The error will be reported to the Director, Investment Advisory and Taxation Services.

Public Trustee Investment Funds - Unit Pricing Policy

- Independent experts may be asked to analyse and assist in the quantification of the error.
- Unitholders will be compensated in accordance with FSC Guidance Note No. 51.
- Unitholders impacted will be advised (either by mail, email or via QPT's website) of the nature of the error, how the error will be rectified and how the unitholders will be compensated for the error.
- Where the error rectification process requires the suspension of unit pricing the standard suspension of pricing processes will apply.
- All errors should be properly recorded, analysed and have the root causes and underlying themes identified. Also, all remedial and preventative actions should be noted and taken to address the errors and minimise the risk of recurrence.

Fund Distributions

1. Frequency of Distributions

The Growth Trust will normally distribute quarterly within 15 business days of the end of each quarter ending 31 March, 30 June, 30 September and 31 December. The AFCT will normally distribute annually within 25 business days of the end of the financial year. However, QPT may exercise its discretion to vary this frequency, based on the amount and timing of taxable income and capital gains within the Funds and other factors such as expected cash flows.

2. Special Distributions

Where a large deposit is made into, or a large withdrawal is made from the Funds, QPT may assess the tax position of the Funds to decide if a special distribution is required. A special distribution will be made if the Trustee considers that it is appropriate to distribute the Fund's income before the deposit or withdrawal, to ensure that all unitholders in the Funds are treated fairly for tax purposes, and that no group of unitholders bears a disproportionate share of the tax on the Fund's income or realised gains.

Unit prices and transaction processing may also be delayed during interim and year end distribution periods.

Communication

Unless specifically required by one of the related documents in section 3 of this policy or outlined below, the primary method of communication will be QPT's website.

Unit Prices –

- Growth Trust's soft close unit prices will be published on QPT's website on a Tuesday and Thursday when available. Growth Trust's end of month hard close unit prices are disclosed on the Growth Trust Product Profile.
- AFCT's end of quarter hard close unit prices are disclosed on the AFCT Product Profile.

Suspensions – will be notified to QPT's Trust Officers via email and published on the QPT's website.

Errors – unitholders subject to compensation will be notified in writing in accordance with FSC guidance notes.

Buy-Sell Spread – will be disclosed on the Product Profile for the Funds.

Public Trustee Investment Funds - Unit Pricing Policy

Special Distributions – unitholders will receive a distribution statement with appropriate disclosure. QPT's Trust Officers will be provided with details of the distribution sufficient to address unitholder queries.

Departures from Unit Pricing Policy – notification will be at the discretion of QPT and will be dependent upon the nature of the departure.

Contact

For further information, please contact:

Investment Advisory Services

Email: PublicTrusteeInvestmentFund@pt.qld.gov.au