Public Trustee of Queensland **Growth Trust**

Quarterly Market Report
March 2025

Quarter in review

Global equities

Global equity markets experienced significant volatility during the first quarter of 2025, driven by heightened geopolitical tensions and lingering trade uncertainties. In the United States, the Federal Reserve (Fed) maintained its target federal funds rate within a range of 4.25% to 4.50%, following a series of interest rate cuts in the preceding quarter. This reflected a cautious stance amid economic uncertainty and elevated inflation above their 2% target. Amid heightened volatility, the Fed has prioritised a data-driven approach in its monetary policy decisions, seeking to balance the objectives of fostering economic growth while maintaining control over inflation.

The European Central Bank (ECB) maintained a data-dependent approach as it continued its easing cycle by implementing two reductions to its three key interest rates over the quarter, culminating in a total decrease of 0.50%. These decisions were designed to bolster economic recovery while managing inflation, which is forecast to average 2.3% in 2025. Notably, the Eurozone's annual inflation rate declined to a four-month low of 2.2% in March. However, escalating monthly price increases and persistent services inflation leave the ECB divided.

Domestically, the Reserve Bank of Australia (RBA) cut the cash rate to 4.10% in February, marking the first reduction since November 2020. This decision was driven by easing inflation, desire to stimulate economic growth, and reduced wage pressures. Despite this cut, the RBA remained cautious, ensuring inflation continues to move toward the 2–3% target range before implementing additional reductions.

Global equity markets fell over the quarter due to uncertainty and declining investor sentiment stemming from Trump administration policies. The MSCI All Country World Index ex-Australia (hedged to the Australian Dollar, net), the S&P 500 Index (net), and the S&P/ASX 200 Accumulation Index all underperformed, recording quarterly returns of -2.11%, -4.37%, and -2.80% respectively.

Global fixed interest and cash

Global bond yields displayed varied trends during the first quarter of 2025. Japanese 10-year bond yields rose by 0.39%, concluding the quarter at 1.49%. In contrast, the yield on the U.S. 10-year Treasury note declined by 0.36%. Meanwhile, Australian 10-year bond yields experienced range-bound volatility, finishing the quarter with a modest increase of 0.02% to 4.38%.

Public Trustee of Queensland Growth Trust returns

(net of fees) for quarter ended 31 March 2025

3 Month Actual Return	**0.29%**
12 Month Actual Return	**5.47%**
3 Year Annualised Return	**5.54%**
5 Year Annualised Return	**8.11%**
7 Year Annualised Return	**5.14%**
10 Year Annualised Return	**4.96%**

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 2025

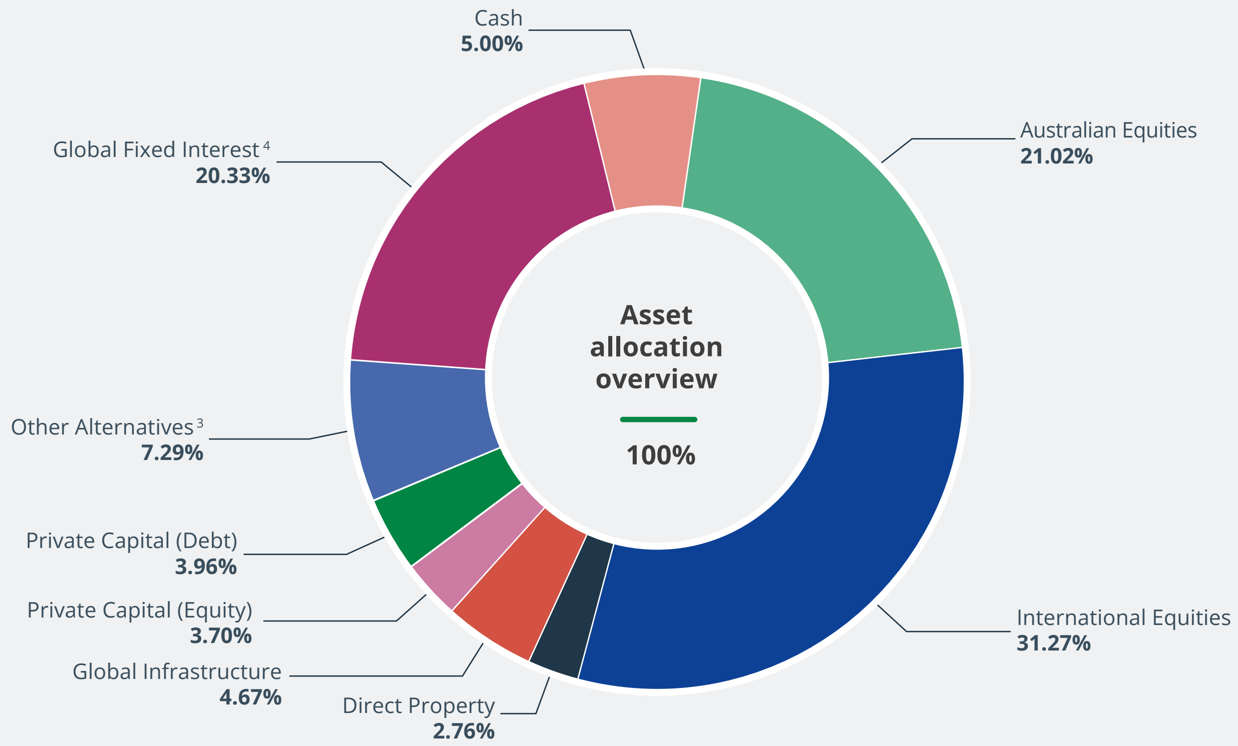
Commencement date	**10 July 1996**
Fund size $ million	**218.8**
Buy price $ (post distribution)	**0.963254**
Sell price $ (post distribution)	**0.962388**
Distribution (cents/unit)	**0.3131**

The investment objective of the PTQ 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 March 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 PTQ 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. Global fixed interest and credit exposures can be reported at various interest rate and credit spread durations respectively which will directly determine the volatility experienced. For example, if the interest rate duration target is 10 years, a 2% notional exposure to a fixed interest security with a duration of 8 years is reported as a 1.6% exposure. Similarly if the credit spread duration target is 5 years, a 2% notional exposure to credit with a duration of 3 years is reported as a 1.2% exposure. The QIC Long Term Diversified Fund defines and reports its fixed interest exposure in terms of 10-year interest rate duration and its credit exposure in terms of a 5-year credit spread duration. The QIC Long Term Diversified Fund may also contain inflation exposures, which may be implemented via either physical and/or synthetic instruments.

Contact us

Phone **1300 360 044** Email **clientenq@pt.qld.gov.au** Web **www.pt.qld.gov.au**