

Quarterly Market Report

March 2024

Quarter in review

Global equities

Despite significant shifts in forward rate expectations and resilient economic data releases, global equity markets rose over the March quarter. Following a strong finish to the 2023 calendar year, global risk assets sustained their momentum into January as the key market theme continued to be the outlook for central bank policy rates, with a growing emphasis on the ‘immaculate disinflation’ narrative. As January unfolded, strong economic indicators, particularly United States (US) labor and housing market data, coupled with mixed central bank signaling, led to a decrease in the number of investors anticipating a March rate cut. This figure dropped from 90% at the start of the month to approximately 50%. As the month drew to a close, market attention shifted to upcoming central bank meetings for 2024 in the hope that committee members would provide insight into both the timing and the extent to which they would ease monetary policy. The Federal Open Market Committee (FOMC) and the Reserve Bank of Australia (RBA) held their respective cash rates steady with both boards emphasizing the need to remain vigilant on inflation. Various Federal Reserve (Fed) presidents continued to echo this stance, with Cleveland Fed president, Loretta Mester asserting that “it would be a mistake to move rates down too soon or too quickly without sufficient evidence that inflation was on a sustainable and timely path back to 2%”. In stark contrast to this, the Bank of Japan concluded its outlier stance in March by hiking rates from -0.1% to a neutral stance between 0% and 0.1% for the first time in almost two decades. This shift, driven by improved wage dynamics, signalled the end of the world’s last negative interest rate policy, aligning the BoJ policy direction more closely with global central bank peers. As central banks continued to weigh the growth vs inflation trade off, technology, AI-focused and Crypto sensitive stocks remained the equity market’s focus, with investors continuing to look through the short-term persistence in inflation data and instead focus their attention on high growth, interest rate sensitive segments of the market. The MSCI All Country World Index ex Australia (hedged to the Australian dollar, net) ending the quarter 9.45% higher. On a relative basis, the S&P500 Index (net) outperformed while the S&P/ASX200 Accumulation Index underperformed returning 10.44% and 5.33% respectively.

Global fixed interest and cash

Global bond yields rose during the March quarter as investors began pushing out their rate cut expectations on the back of stronger than expected macroeconomic data and renewed hawkishness from the US Federal Reserve following a brief period of dovishness at the back end of 2023. The Australian and US 10-year bond yields rose 0.01% and 0.32% respectively, ending the quarter at 3.96% and 4.20%. Elsewhere, the 10-year Japanese Government bond ended the quarter 0.11% higher at 0.73% following the Bank of Japan’s much anticipated exit from its negative interest rate policy.



Public Trustee Growth Trust returns

(net of fees) for quarter ended 31 March 2024

3 Month Actual Return	6.02%
12 Month Actual Return	12.85%
3 Year Annualised Return	5.30%
5 Year Annualised Return	5.25%
7 Year Annualised Return	5.27%
10 Year Annualised Return	5.37%

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 Growth Trust

as at 31 March 2024

Commencement date	10 July 1996
Fund size \$ million	224.6
Buy price \$ (post distribution)	0.971501
Sell price \$ (post distribution)	0.969947
Distribution (cents/unit)	0.1526

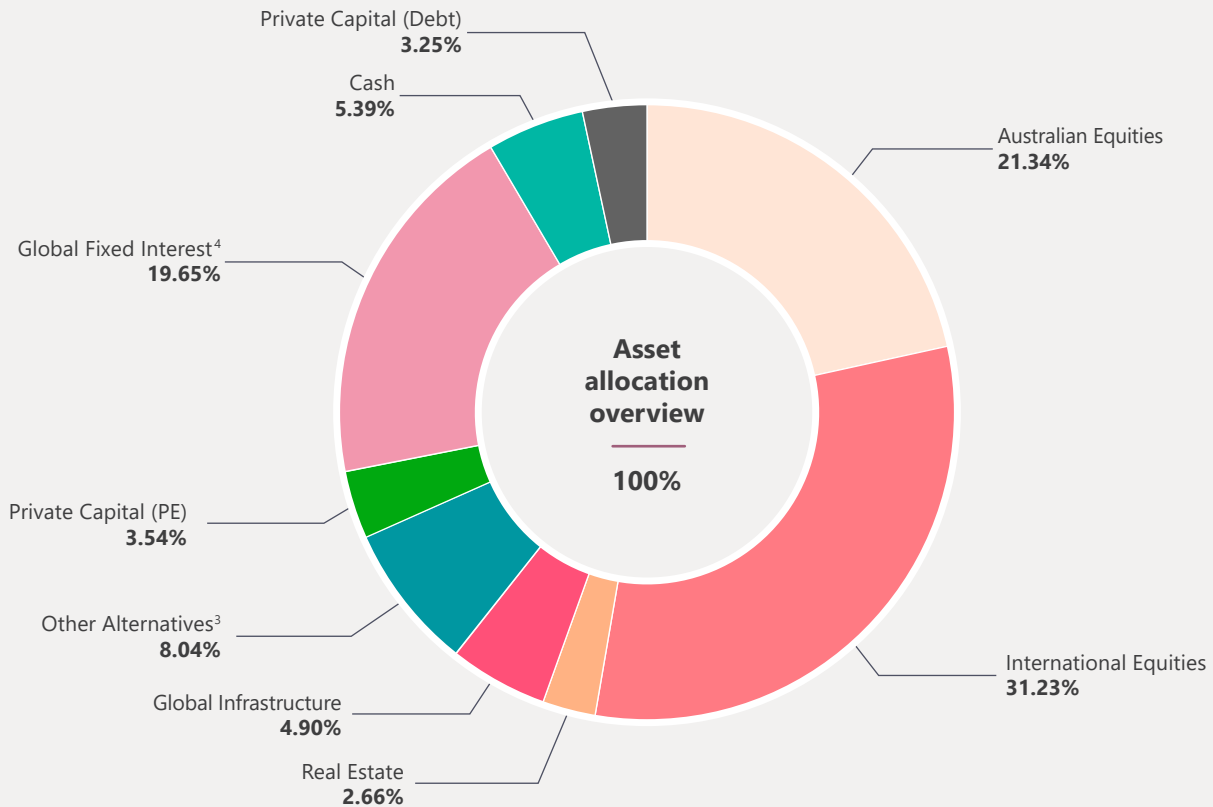
The investment objective of the PTQ Growth Trust is to generate average returns (net of fees and costs) of CPI + 1.5% p.a. over rolling five year periods.



Asset allocation^{1, 2}

as at 31 March 2024

Asset allocation: The PTQ 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 PTQ Growth Trust is managed with an investment in the range of approximately 0.0% to 1.0% of the PTQ Growth Trust's assets in cash. The PTQ 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.

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The Fund returns are calculated based on:

- close of market valuations on the last day of the quarter
- total return – that is assuming the reinvestment of all distributions into the Fund.

Investors are referred to the Product Information Statement in respect of application and withdrawal (redemption) prices.

The Public Trustee is a corporation sole constituted under the *Public Trustee Act 1978* (Queensland) and is audited by the Auditor General.