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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.

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Contact us

The Public Trustee

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

GPO Box 1449, Brisbane QLD 4001

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Quarterly Market Report December 2020

**Public Trustee of Queensland
Growth Trust**



Quarter in review

Economic and investment market update

Global equity markets posted strong gains in the last quarter of the year as countries authorised the rollout of vaccines against the worsening coronavirus pandemic. The uncertainty of the US elections and renewed lockdown measures in October presented initial market weakness. This was then countered in November as positive vaccine trial outcomes were published, resulting in a record month for equity markets. December capped the period with further gains as the vaccine mobilisation began, with approvals in the UK and US. Political tensions remained elevated in the US over the quarter despite President-Elect Joe Biden's victory in October as current US President Donald Trump challenged the election outcome.

Global coronavirus deaths increased by over 800,000 over the quarter as cases continue to grow quickly despite countries enforcing strict lockdowns. New highly infectious strains of the coronavirus have been found internationally, compounding the difficulty of controlling the spread. In Australia, community transmission of the virus re-occurred in New South Wales and spread to Victoria late in the quarter.

Global Equities

Global equity markets continued to rise over the December quarter. The MSCI All Country World Index ex Australia (hedged to the Australian dollar) returned 12.21% over the period. Australian equities outperformed, with the S&P/ASX200 Accumulation Index returning 13.70%, whilst US equities performed in line with global markets, with the S&P500 index returning 12.01%.

Public Trustee Growth Trust returns

(net of fees) for quarter ended 31 December 2020

3 Month Actual Return (%)	12 Month Actual Return (%)	3 Year Annualised Return (%)	5 Year Annualised Return (%)	7 Year Annualised Return (%)	10 Year Annualised Return (%)
6.32	0.58	3.52	5.89	5.05	5.80

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 December 2020

Commencement date	10 July 1996
Fund size \$ million	363.8
Buy price \$ (post distribution)	0.953321
Sell price \$ (post distribution)	0.951607
Distribution (cents/unit)	0.0000

The investment objective of the Growth Trust is to generate average returns (net of fees and costs) of CPI + 2.4% p.a. over rolling five year periods.

Global Fixed Interest and Cash

In fixed interest markets, global bond yields were mixed over the quarter as the development and rollout of several vaccines competed with continued growth in case numbers. The Reserve Bank of Australia cut interest rates to a record low of 0.10% in November, while the US Federal Reserve held steady at 0.25% over the quarter. The 10-year US bond yield increased 0.23% over the quarter. The Australian 10-year bond yield also increased, ending the quarter up 0.18%.

Asset allocation^{1,2} as at 31 December 2020

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 (formerly known as the QIC Growth Fund), while 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, either in the QIC Cash Enhanced Fund or cash at bank. The asset allocation strategy of the Growth Trust is managed within the QIC Long Term Diversified Fund, a diversified portfolio of assets including Australian and international shares, fixed interest, property, infrastructure, private equity, alternative assets and cash.

Australian equities	21.65%
International equities	32.60%
Direct property	2.57%
Global real estate	0.00%
Global infrastructure	4.51%
Other alternatives ³	8.04%
Global private equity	0.93%
Global fixed interest ⁴	18.87%
Cash	10.83%
Total	100%

1. The Growth Trust gains investment exposure to the above asset classes by investing in the QIC Funds. The asset allocation 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), Alternative credit, Objectives Based, Special Situations/ Other, Insurance Related Securities, Traditional Endowments, Liquid Alternative Strategies and other Alternative Assets.
4. The reported global fixed interest exposure is defined as the nominal interest rate exposure of the QIC Long Term Diversified Fund. This exposure is stated at 20 year duration.