

Customer administered investment return and associated costs

30 June 2022

Purpose: The purpose of this document is to provide customers with information regarding customer funds under administration and the investment returns and associated costs charged to the customer.

Background: The Public Trustee Queensland (PTQ) Customer Investment Strategy (CIS) provides for investments to be made in the Common Fund and the Public Trustee of Queensland Growth Trust.

- The size of the Common Fund investment portfolio was \$944.3 million for the financial year ending 30 June 2022.
- The Public Trustee of Queensland Growth Trust is wholly invested within the QIC Long Term Diversified Fund.

The majority of the Public Trustee's long-term Estates Under Administration, including Financial Management, Minors Trusts and Enduring Power of Attorney Matters, are catered for by the Customer Investment Strategy.

Common Fund

Common Fund portfolio size for the financial year 30 June 2022

- The size of the Common Fund investment portfolio was \$944.3 million for the financial year ending 30 June 2022.
- Customer liabilities, which consists of customer administered funds, consisted of \$836.0 million.

A summary of the asset type of the managed portfolio for year ending 30 June 2022 is as follows:

Category	Closing balance* (\$'000)
QTC Capital Guaranteed Cash Fund	\$109,043
Term Deposits [^]	\$131,138
Bonds	\$238,804
Floating Rate Notes (FRN)	\$0
QIC Long Term Diversified Fund	\$161,568
QIC Global Credit Income Fund	\$125,216
QIC Short Term Investment Fund	\$175,197
Subtotal Investment Assets	\$940,996
CBA Bank Account [#]	\$3,290
Total Common Fund Balance	\$944,256

[^] Includes Floating Rate Term Deposits

^{*} Closing balance is the market value as at 30 June 2022

[#] Values from CBA Common Fund account

A summary of the Customer funds administered per customer type as at 30 June 2022 is as follows:

Administered service type	Actual exposure by amount (\$'000)	Actual exposure by percentage
Deceased Estates	\$228,251	27.30%
Agency Personal Financial Management	\$150	0.02%
Minors	\$69,917	8.36%
General Trusts	\$105,364	12.60%
Testamentary Trusts	\$38,757	4.64%
Agency Deposits	\$20,105	2.40%
Other administered funds	\$13,770	1.65%
Financial Management	\$359,694	43.03%
Total	\$836,008	100%

Investment return

• Investment return on the Common Fund consists of returns from customer and operational funds invested in a managed portfolio. The investment returns include interest, distribution income and fair value gain and or loss on financial assets.

• Gross interest and distribution income for the Common Fund for the year ending 30 June 2022 was \$23,547,000. The net investment return as a percentage for the year ending 30 June 2022 was as follows:

Public Trustee of Queensland	Financial year 2021/2022
Public Trustee Common Fund — Net Return Performance [*]	-4.54%

^{*} Under section 19 of the *Public Trustee Act 1978*, all moneys vested in or coming into the hands of the Public Trustee on behalf of customers, shall be held in one or more Common Funds and shall be invested by the Public Trustee. Funds held in the Common Fund are capital guaranteed and applicable rates are approved by regulation. The total return received on the investment of the Common Fund is applied to support the business operations of the organisation, including the payment of interest to customers as prescribed by regulation.

Customer return on Common Fund

• The Public Trustee pays interest on customers' deposits held in trust within the Common Fund. Interest is calculated daily on the closing balance of deposits held and is paid either monthly or annually on 30 June each year depending on the account. The rates of interest payable on deposits held in trust are determined from time to time under Regulation 9 of the Public Trustee Regulation 2012.

• Gross interest paid on customers' deposits held in trust within the Common Fund for the year ending 30 June 2022 was \$1,589,000. The net interest paid to customers as a percentage for the year ending 30 June 2022 was an average of 0.20%.

• Extracts of average returns on cash accounts and Term Investment Accounts for the year ending 30 June 2022 was as follows:

Public Trustee of Queensland customer funds	2021/2022 financial year average return to customers ^{*1}
Public Trustee Common Fund — Cash Account ^{*2}	0.25%
Public Trustee Common Fund — Term Investment Account ^{*3}	0.25%

Note 1 — Customers funds were invested for the whole year.

Note 2 — Funds held in the Common Fund are capital guaranteed and applicable rates are prescribed by regulation. Applicable rate shown is for Financial Management Customers.

Note 3 — Funds held in the Common Fund are capital guaranteed and applicable rates are prescribed by regulation.

For information on Public Trustee fees and charges, refer to the [Fees Ready Reckoner](#) on the Public Trustee website.

Interest differential

The entitlements of the estates whose moneys are paid into the Common Fund are determined in accordance with the interest rate that is and has been prescribed under the Public Trustee Regulation 2012 (Qld) (PT Regulation) and which is then paid to estates under the *Public Trustee Act 1978*.

In terms of the governing legislation, after paying interest to customers, the interest earned may be applied towards the operating and capital expenses of the Public Trust Office under section 19 of the *Public Trustee Act 1978*.

Growth Trust

Public Trustee of Queensland Growth Trust (PTQ Growth Trust)

• The Public Trustee of Queensland (PTQ) is the trustee and manager of the PTQ Growth Trust and is responsible for determining the investment objectives and strategy of the PTQ Growth Trust, arranging for the proper investment of all monies, and ensuring that the Investment Manager achieves acceptable rates of return.

• QIC Limited (QIC) is the Investment Manager of the PTQ Growth Trust. QIC is a global diversified alternative investment manager.

• The PTQ Growth Trust is designed for investors who are seeking a diversified investment approach and are prepared to take a longer-term view, accept short-term fluctuations and are willing to trade off immediate security for future growth.

• The Trusts distribute income to unitholders by cash in accordance with the Trust Deed. The unitholders may choose to reinvest these distributions into the Trusts at the applicable application price.

• Please refer to the [PTQ Growth Trust Product Profile](#) and the [PTQ Growth Trust Product Information Statement](#) published on the Public Trustee of Queensland's website for more details.

Growth Trust portfolio size for the financial year 30 June 2022

- The size of the Growth Trust investment portfolio was \$212 million for the financial year ending 30 June 2022 which consists of 100% customer funds.
- The Growth Trust funds are all invested through QIC in the QIC Long Term Diversified Fund.

Investment return

• Investment return on the Growth Trust consists of returns from customer funds (which meets the prescribed requirements) invested in the Growth Trust. The investment returns include interest, distribution income and fair value gain and or loss on financial assets.

• Gross Interest and Distribution income for the Growth Trust for the year ending 30 June 2022 was \$6,316,000 (2021 \$59,885,000). The gross investment return as a percentage for the year ending 30 June 2022 was -5.59% (2021 18.45%).

Customer return on Growth Trust

• The PTQ Growth Trust distributes income to unitholders by cash in accordance with the Trust Deed. The unitholders may choose to reinvest these distributions into the Trust at the applicable application price. The distributions are recognised in profit or loss as finance costs attributable to unitholders. Distribution payable to unitholders at the end of the reporting period is recognised in the statement of financial position when unitholders are presently entitled to the distributable income.

• Customers who hold more than \$100,000 in the PTQ Growth Trust will qualify for the rebates. Rebates are paid by direct credit of funds to the customer's account with PTQ or other nominated account. Rebates are calculated based on an investor's balance of units in the PTQ Growth Trust as at end of the month and uses the exit price applicable at that date.

• Under the terms of the Trust Deed and Product Information Statements, the Public Trustee is entitled to receive Trustee fees, calculated daily on the Trust's net asset value, and paid monthly in arrears.

• Gross distribution on customers' deposits held in trust for the year ending 30 June 2022 was \$5,085,000. Trustee fees for the year ending 30 June 2022 was \$3,812,000. The gross distribution to customers as a percentage for the year ending 30 June 2022 was as follows:

Public Trustee of Queensland customer funds	Financial year average return to customers [*]
Public Trustee Investment Fund — Growth Trust [*]	2021/22 -6.93%

^{*} Return is shown after fees of 1.52%pa. of the Public Trustee managing the Trust as Trustee.