

Investment Advisory Committee (IAC) quarterly report to IGC Board

Quarter ending 31 December 2023 (reporting date)

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EXECUTIVE SUMMARY

Recommendations and for noting by the Board

- The return of +5.0% for the December 2023 quarter follows the March, June and September 2023 quarter returns of +3.7%, +0.5% and -1.3%, respectively producing an annual return of +7.7%
- the return since inception to the reporting date was +1.4% pa or +\$1,138,034
- transactions during the quarter[calendar year]:

○ RV payment received	\$0	[\$ 7,300]
○ SGM approved expenditure	\$2,377,388	[\$7,217,618]
○ Managed fund redemptions	\$2,419,023	[\$6,910,458]
- The IAC's priorities are:
 - addressing the planned drawdowns over the next few months
 - confirming the Board's subsequent planned drawdowns over the next few years
 - confirming the specific purpose of the Relevant Funds
 - reviewing the Investment Policy and portfolio structure based on the above

Introduction

The September 2020 Quarterly Report outlined the establishment of investment governance, processes and a phased investment implementation as recommended by the IAC and approved by the Board. The phased implementation was completed in the December 2020 quarter with final investments made in late December. The **December** quarter is the **twelfth** quarter during which the Relevant Funds were fully invested.

Reporting requirements and guidelines

The Board approved Investment Policy for the Relevant Funds requires the IAC to:

- prepare a Quarterly Report outlining the performance of investment markets, the portfolio and underlying investment managers; and
- confirm compliance with the Investment Policy during the period.

Compliance

The IAC confirms compliance with the IGC Investment Policy and variations approved by the Board during the transition to a revised policy. For the purposes of compliance with asset allocation ranges, the initial \$7,500,000, subsequent redemptions and market value balances relating to the 2017 ordinary resolution have been excluded.

Inflation history Brisbane (Australia)

Over the **December** quarter: 0.5% (0.6%)
 Over the **12 months** to reporting date: 4.2% (4.1%)
 Since inception: 4.2%pa, 19.2% absolute (3.9%, 17.9% absolute)

Relevant Funds

- **snapshot at the reporting date**

Total Relevant Funds, by asset type

RELEVANT FUNDS	\$	% of Portfolio
Managed Funds^ consisting of:		
- Core (defensive)	1,550,438	15
- Core (targeted return)	4,266,592	42
- Discretionary market return	<u>3,643,306</u>	<u>36</u>
	9,460,336	93
Cash (Bank account)	593,974	7
TOTAL	10,054,309	100

^ at market value.

Note:

As at 31 December 2023, all of the unspent balance of the 2017 and 2021 resolutions (\$1,876,317 less \$620,000 = \$1,256,538) is targeted to be spent **over next year or so** to finalise projects of the 2017 and 2021 resolutions. The \$620,000 is to be retained for spending on future specific events (with uncertain timing) as identified in 2017 Resolution. Please refer to “summary position” on the next page for more details

- **summary significant transaction history**

\$	Transactions
19,500,000	initial investments in managed funds
10,909,458	investment redemptions
11,623,461	SGM approved expenditure
424,450	RV payments

- **summary balance history**

Date	Total (\$)	Investments (\$)	Cash/term deposits (\$)
31 December 2023	10,054,309	9,460,336	593,974
31 December 2022	16,249,502	15,371,015	878,487
31 December 2021	21,222,164	20,922,655	299,509
31 December 2020	20,251,774	19,851,721	400,053
31 December 2019	19,942,678	0	19,942,678
15 September 2019	20,115,455	0	20,115,455

- summary performance history

December quarter +5.0% +\$524,054

Period	% return	\$ return
since inception*	+1.4%pa	+\$1,138,034
2023 calendar year	+7.7%	+\$1,015,188
2022 calendar year	-7.3%	-\$1,540,748
2021 calendar year	+5.3%	+\$1,071,544
2020 calendar year	+2.6%	+\$510,085
15/9 to 31/12/ 2019	+0.4%	+\$81,975

*15 September 2019, ^to reporting date

- summary position

RF reconciliation	\$	
Initial payment	20,115,455	
plus RV sales commission	424,450	
plus earnings	1,138,034	
less authorised expenditure (spent)*	11,623,629	
Balance#	10,054,310	A
Authorised expenditure reconciliation		
SGM 2017	8,000,000	
SGM 2021	5,500,000	
total	13,500,000	
less authorised expenditure (spent)*	11,623,629	
Balance	1,876,371	
^consisting of		
SGM 2017 amount to be retained	620,000	B
SGM 2017 unspent balance	485,327	
SGM 2021 unspent balance	771,211	
Total of SGMs 2017 and 2021 unspent balances	1,256,538	C
RF reduced for spending of SGMs unspent balances	8,797,772	A - C

*including \$168 bank fees

at market value

ATTACHMENT

- Investment market commentary
- Investment market performance to reporting date – short term
- Investment market performance to reporting date – long term
- Relevant Funds investment performance – 2023 year
- Relevant Funds investment performance summary – since inception
- Relevant Funds managed fund components investment performance – since inception
- Relevant Funds investment managers returns and benchmarks over 1,3 and 5 years to the reporting date
- IGC portfolio snapshot at the reporting date

The following returns are those of investment market indices* which are generally used by investors as performance benchmarks. Examples are:

- S&P/ASX 300 Accumulation Index for Australian shares
- MSCI World Index for International shares
- Bloomberg Ausbond Composite 0+ Yr for Australian bonds

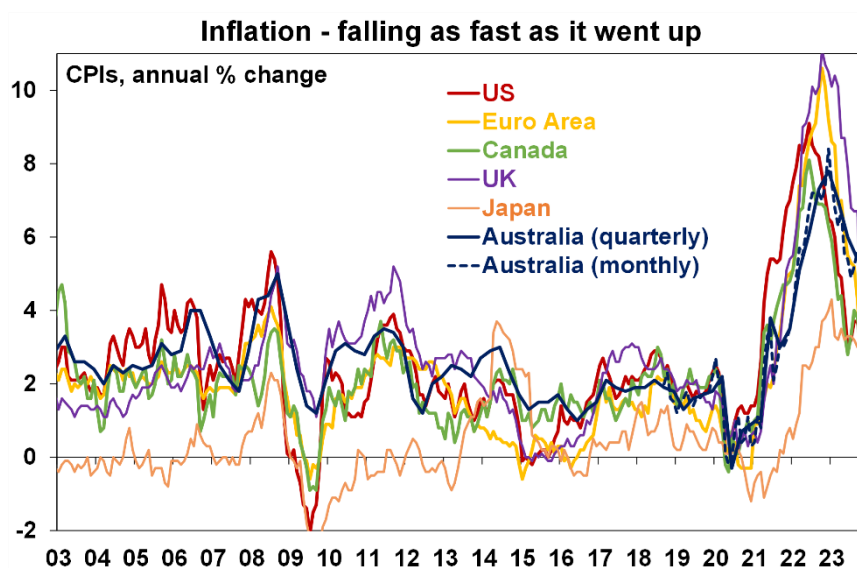
*source Vanguard

Index returns are calculated assuming reinvestment of all income distributions but do not allow for taxes, management and transaction costs. Investment manager returns for investors are on the other hand before taxes, but after management and transaction costs.

Investment market commentary

Despite lots of angst at the start of the year, 2023 turned out far better than feared. Key big picture themes of relevance for investors were:

1. Stronger than feared growth. Despite fears that recession was inevitable, on the back of multiple rate hikes and a rough reopening in China, it's been avoided so far, including in Australia, helped by saving buffers, reopening boosts particularly to eating out & travel and some labour hoarding. Economic growth in 2023 looks to have been around 3% globally and around 1.9% in Australia which was helped by a population surge partly offsetting severe mortgage pain for some.
2. Disinflation. Inflation across major countries has fallen sharply from peaks of 8 to 11% last year to around 2 to 5%. Australia lagged on the way up and is doing the same on the way down, but it's falling too.



Source: Bloomberg, AMP

3. Peak interest rates. It took longer to get there and there was a “high for longer” scare on rates but most major central bank policy rates look to have peaked and this probably includes the RBA’s cash rate.

4. Geopolitical threats proved not to be as worrying as feared – the war in Ukraine remained contained, conflict in Israel flared again but so far has not spread to key oil producers (oil prices actually fell a bit) & the Cold War with China thawed a bit. A lack of major elections helped.

5. Artificial intelligence hit the big time after the launch of Chat GPT with hopes it will boost productivity. The immediate beneficiaries were key (mostly US) tech stocks – which helped them reverse the 2022 slump.

Investment market performance to reporting date – short term

Over the quarter:

- domestic cash returned **+1.1%**
- domestic fixed interest returned **+3.8%**
- international fixed interest returned **+5.4%**
- the \$A **appreciated 5.9%** against the \$US
- domestic shares returned **+8.4%**
- international shares returned **+9.2%** (currency hedged) and **+5.3%** (unhedged) – the difference mainly due to the **appreciating \$A**
- international listed infrastructure securities returned **+9.5%** (currency hedged) and **+5.3%** (unhedged) – the difference mainly due to the **appreciating \$A**
- domestic listed property securities returned **+16.5%**
- international listed property securities returned **+13.4%** (currency hedged) and **+9.5%** (unhedged) – the difference mainly due to the **appreciating \$A**

Over the 12 months to the reporting date:

- domestic cash returned **+3.9%**
- domestic fixed interest returned **+5.1%**
- international fixed interest returned **+5.3%**
- the \$A **appreciated 1.0%** against the \$US
- domestic shares returned **+12.1%**
- international shares returned **+21.7%** (currency hedged) and **+23.2%** (unhedged) – the difference mainly due to the **depreciating \$A** over most of the year
- international listed infrastructure securities returned **-2.0%** (currency hedged) and **-0.5%** (unhedged) – the difference mainly due to the **depreciating \$A** over most of the year
- domestic listed property securities returned **+16.9%**
- international listed property securities returned **+7.7%** (currency hedged) and **+9.3%** (unhedged) – the difference mainly due to the **depreciating \$A** over most of the year

Investment market performance to reporting date – long term

Asset Class	Investment Market Indices	1 Year (%)	3 Year (% pa)	5 Year (% pa)	7 Year (% pa)	10 Year (% pa)
Cash	Bloomberg AusBond Bank Bill Index	+3.9	+1.7	+1.4	+1.5	+1.8
Australian Fixed Interest	Bloomberg AusBond Composite 0+ Yr Index	+5.1	-2.7	+0.5	+1.6	+2.6
International Fixed Interest	Barclays Global Aggregate Index (hedged)	+5.3	-3.1	+0.5	+1.1	+2.6
Australian Shares	S&P/ASX 300 Accumulation Index	+12.1	+9.0	+10.3	+8.5	+7.9
International Shares (hedged)	MSCI World Index (hedged)	+21.7	+7.3	+11.6	+9.8	+9.5
International Shares (unhedged)	MSCI World Index (unhedged)	+23.2	+11.8	+13.6	+11.7	+11.7
Australian Property	S&P/ASX 300 Property Accumulation Index	+16.9	+5.9	+6.4	+5.9	+9.4
Global Property (hedged)	FTSE/EPRA/NAREIT Developed Rental index (hedged)	+7.7	+1.3	+2.0	+1.7	+5.0
Global Property (unhedged)	FTSE/EPRA/NAREIT Developed Rental index (unhedged)	+9.3	+5.6	+3.9	+3.5	+7.2
Global Infrastructure (hedged)	FTSE Developed Core Infrastructure index (hedged)	-2.0	+2.8	+5.4	+5.8	+6.7
Global Infrastructure (unhedged)	FTSE Developed Core Infrastructure index (unhedged)	-0.5	+7.6	+7.2	+7.5	+8.8
Inflation	Australian Consumer Price Index	4.1	5.1	3.6	3.1	2.7
AUD/USD exchange rate Absolute (not % pa) change over period		+1.0	-11.2	-3.1	-5.5	-23.6

Relevant Funds investment performance to reporting date – 2023 year

- **2023 calendar year** **+7.7%**
or **\$1,015,188** consisting of:
 - \$ 15,409 bank account and term deposit interest
 - \$ 999,779 managed funds change in market value*
- **December quarter 2023** **+5.0%**
or **\$524,054**, consisting of:
 - \$ 6,290 bank account and term deposit interest
 - \$ 517,764 managed funds change in market value*
- **September quarter 2023** **-1.3%**
or **-\$169,260**, consisting of:
 - \$ 2,791 bank account and term deposit interest
 - -\$ 172,051 managed funds change in market value*
- **June quarter 2023** **+0.5%**
or **\$78,326**, consisting of:
 - \$ 1,003 bank account and term deposit interest
 - \$ 77,293 managed funds change in market value*
- **March quarter 2023** **+3.7%**
or **\$582,069**, consisting of:
 - \$ 5,295 bank account and term deposit interest
 - \$ 576,774 managed funds change in market value*

*including reinvestment of distributions

Relevant Funds investment performance summary to reporting date – since inception

Summary – since inception, by calendar year

- **since inception (September 2019)** **+1.4% pa**
 or **\$1,138,034** consisting of:

 - **\$268,239** bank account and term deposit interest
 - **\$869,795** managed funds change in market value*

- **2023 calendar year** **+7.7%**
 or **\$1,015,188** consisting of:

 - **\$ 15,409** bank account and term deposit interest
 - **\$ 999,779** managed funds change in market value*

- **2022 calendar year** **-7.3%**
 or **-\$1,540,758**, consisting of:

 - **\$ 11,883** bank account and term deposit interest
 - **-\$1,552,640** managed funds change in market value*

- **2021 calendar year** **5.3%**
 or **\$1,071,544**, consisting of:

 - **\$ 610** bank account and term deposit interest
 - **\$1,070,934** managed funds change in market value*

- **2020 calendar year** **2.6%**
 or **\$510,085**, consisting of

 - **\$158,364** bank account and term deposit interest
 - **\$351,721** managed funds change in market value*

- **2019 calendar year (final 4 months)** **0.4%**
 or **\$81,975**, consisting of bank account and term deposit interest only

*including reinvestment of distributions

Relevant Funds managed fund components investment performance* summary – since inception

*excluding cash and term deposit interest

Component	Return since inception %pa	Return 12 months to reporting date %	Return December quarter 2023 %
Core defensive	-1.1	+5.3	+3.2
Core targeted return	+5.1	+6.7	+3.8
Discretionary market return	+4.1	+13.1	+8.2
Total managed	+1.5	+7.8	+5.2

Investment manager returns* and benchmarks to reporting date

*net of fees

Investment Manager Benchmark	1 Year Performance (%pa)	3 Year Performance (%pa)	5 Year Performance (%pa)
Core targeted absolute return component			
Core - Defensive			
Macquarie Income Opportunities	6.1	0.8	1.8
Bloomberg AusBond Bank Bill	3.9	1.7	1.4
Pimco Diversified Fixed Interest	5.9	-2.9	0.8
50% Bloomberg Glb Agg Hdg AUD / 50% Bloomberg AusBond Composite 0+Y	5.2	-2.9	0.6
Franklin Australian Absolute Return Bond	6.1	0.1	1.8
Bloomberg AusBond Bank Bil)	3.9	1.7	1.4
Core - Targeted Return			
Perpetual Diversified Real Return	3.5	3.8	4.6
#	7.1	8.1	6.6
Schroder Real Return Fund	8.4	3.0	4.3
#	7.1	8.1	6.6
Vanguard Balanced Index Fund	10.9	2.5	5.7
Vanguard Balanced Composite Index	11.3	2.8	6.2
Maple-Brown Abbott Global Listed Infrastructure	7.7	11.4	8.7
FTSE Global Core Infra 50/50 NR AUD	1.6	8.1	6.7
Discretionary market return component			
Resolution Capital Global Property Securities	8.0	1.7	3.3
FTSE EPRA NAREIT Dvlp NR Hdg AUD	7.9	1.7	1.9
Fidelity Australian Opportunities	12.8	6.5	9.5
SPX/ASX 200	12.4	9.2	10.3
Walter Scott Global Equity (Hedged)	18.9	5.2	11.0
MSCI World ex Australia NR Hdg AUD	21.7	7.3	11.6
MFS International Shares	13.7	7.8	11.1
MSCI World NR AUD	23.0	11.8	13.5

inflation plus target over rolling 3 years, have used a 3% premium on inflation

Indooroopilly Golf Club Portfolio as at 31 December 2023		Manager and Asset Class Allocation (\$)						MV	Net Capital Invested	Return net of fees Total \$	
		AE	IE	PS	INF S	DS	Cash				Alt/Other
		\$000	\$000	\$000	\$000	\$000	\$000				\$000
IGC Cash						594		593,974	325,734	268,239	
	sub total					594		593,974	325,734	268,239	
Core targeted absolute return component											
Defensive											
Macquarie Income Opportunities		-	-	-	-	518	-	518,260	520,000	(1,740)	
Pimco Diversified Fixed Interest		-	-	-	-	514	-	513,754	862,565	(348,811)	
Franklin Australian Absolute Return Bond		-	-	-	-	518	-	518,424	525,598	(7,174)	
	sub total					1,550	-	1,550,438	1,908,163	(357,725)	
Targeted Return											
Perpetual Diversified Real Return		153	320	84	-	752	-	84	1,392,623	1,250,000	142,623
Schroder Real Return Fund		222	180	-	-	955	-	28	1,384,607	1,250,000	134,607
Vanguard Balanced Index Fund		-	-	-	-	-	-	-	-	67,621	67,621
Maple-Brown Abbott Global Listed Infrastructure		-	-	-	1,489	-	-	-	1,489,362	1,100,000	389,362
	sub total	375	500	84	1,489	1,707	-	111	4,266,592	3,429,003	837,589
	Total	375	500	84	1,489	3,258	-	111	5,817,030	5,337,166	479,864
Discretionary market return component											
Resolution Capital Global Property Securities		-	-	812	-	-	-	-	812,444	800,000	12,444
Fidelity Australian Opportunities		1,149	-	-	-	-	-	-	1,149,347	1,000,000	149,347
Walter Scott Global Equity (Hedged)		-	822	-	-	-	-	-	822,486	735,000	87,486
MFS International Shares		-	859	-	-	-	-	-	859,028	718,375	140,653
	Total	1,149	1,682	812	-	-	-	-	3,643,306	3,253,375	389,931
	TOTAL	1,524	2,182	896	1,489	3,258	594	111	10,054,309	8,916,275	1,138,034
Portfolio Allocation (excl cash, TDs)		15%	22%	9%	15%	32%	6%	1%	complies with policy?		
Policy Allocation ranges		0 - 25%	0 - 25%	0 - 10%	0 - 10%	30 - 100%	0 - 10%	0 - 10%	yes - after excluding ordinary resolution November 2017 flows		
AE - Australian Equities, IE - International Equities, PS - Property Securities, INF S - Infrastructure Securities, DS - Debt Securities, Alt - Alternatives, MV - Market Value * % pa for investment periods longer than 1 year, % for periods less than 1 year, IRR is the uniform annual rate of return applied to cashflows											