SGHiscock
Investment Management

Catholic Values Trust

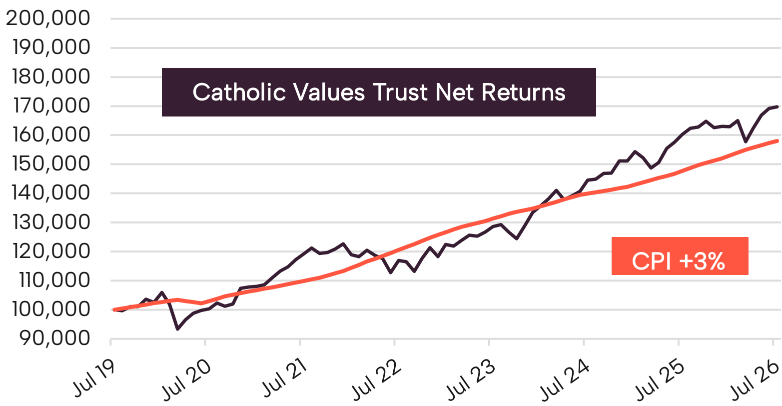
31 July 2026

Performance^	Gross Returns	Net Returns[1]	Objective
Monthly (%)	0.38	0.32	0.47
Quarterly (%)	4.67	4.49	1.42
FYTD (%)	0.38	0.32	0.47
1 year (%)	6.59	5.87	6.87
3 years (% p.a.)	10.39	9.68	6.27
5 years (% p.a.)	8.02	7.32	7.42
7 years (% p.a.)	8.56	7.85	6.65
Inception (% p.a.)	7.91	7.21	5.78

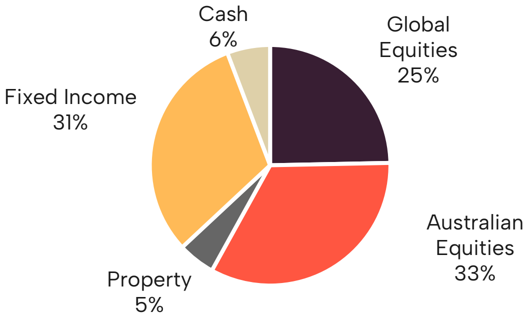
^Month, quarter and FYTD are holding period returns. Periods from 1 year to since inception are annualised.
[1]Total Net Return is the Trust return after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions.
Past performance is not a reliable predictor of future performance.

Rolling 7-year Trust Performance vs Objective

($100K invested over rolling 7 years)



Asset Allocation



Source: SGHiscock Investment Management, Iress

Key Facts

Investment manager	SGHiscock Investment Management
Inception date	31 January 2002
Trust size	$141M
Management fees[2]	0.72%
Distributions payable	Half Yearly
Buy/sell spread	+0.20%/-0.20%
Base currency	AUD
Domicile	Australia

[2]Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC").

Investment Objective

To provide a return (after fees and expenses) that exceeds CPI increases by at least 3% p.a. (after fees) measured over rolling 7-year periods and invest in accordance with the Catholic Values Policy.

REGISTERED CHARITY
acnc.gov.au/charityregister

SG Hiscock & Company Limited, trading as **SGHiscock Investment Management**
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sghiscock.com.au

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Monthly Insight

The Catholic Values Trust returned 0.32% net of fees for the month of July. The Trust has outperformed its objective over a rolling 7-year period.

Key Drivers

- International equities returned -1.92% mainly due to weakness in AI related stocks and a stronger AUD
- Domestic equities returned 2.75%, as Energy and Financials led gains while Technology and Utilities lagged
- Fixed interest returned -0.20%, as Australian bond yields rose sharply over the month on renewed inflation concerns

Market Commentary

July saw a sharp reversal of the disinflationary trend that had supported markets through May and June, as re-escalation and renewed instability in the Middle East drove a rebound in the oil price. WTI crude rose around 22% over the month, unwinding much of the prior two months' decline. This, combined with a more uncertain US Federal Reserve under new chair Kevin Warsh, drove a rise in bond yields and a rotation away from long-duration growth assets.

Australian equities posted a solid gain, the ASX100 Accumulation index returning 2.75%. Energy was the top performer (+12.8%), supported by the sharp rally in oil prices following re-escalation in the Middle East conflict. Financials (+6.1%) performed strongly despite concerns around a softer housing market and its impact on credit growth. Meanwhile, among the weakest sectors was Technology (-0.9%), under pressure as investors rotated out of AI-related names. The domestic labour market added to the case for a firmer RBA stance, with June employment increasing by 76,300, far above the 15,000 expected, while unemployment held steady at 4.4%. RBA Governor Michele Bullock again flagged that the Bank's next move remains more likely to be a hike than a cut, reiterating that Australia's inflation pressures pre-date the Middle East conflict and are largely home-grown. While markets continue to expect the RBA to hold rates at its August meeting, the modest rate cuts that had been priced in for 2027 as at the end of June have now been largely removed, leaving the expected interest rate path meaningfully higher for longer, despite continued weakness in the housing market.

US equities came under pressure, with the S&P 500 down 0.1% and the Nasdaq falling 3.2%, while Japan's Nikkei fell sharply, down 8.1%, as weakness in AI-related technology stocks and higher yields weighed on markets. New Fed chair Kevin Warsh held rates steady on 29 July, but three FOMC members dissented in favour of a hike, and his decision to abandon forward guidance further unsettled investors, adding to the rise in US yields since he took over in June. European equities were firmer, with the Stoxx Europe 600 up 1.2%, while the UK was the standout, with the FTSE gaining 3.5% as its higher weighting to energy and materials names benefited from the rebound in oil and base metals.

US macro data added to the uneasy tone through July. The labour market showed clear signs of cooling, with job creation falling well short of expectations and earlier months revised lower still, while second-quarter GDP growth also slowed more than expected, even as underlying consumer demand held up. Inflation signals were mixed: headline CPI eased more than expected on cheaper petrol, though that relief looks unlikely to last given the later oil price rebound. This combination of weaker growth and firmer inflation played directly into the bond market's unease, adding another reason for yields to stay elevated.

Fixed interest returned -0.20% as Australian bond yields rose sharply, reversing the falls seen in May and June. The 3-year yield rose 13bps to 4.49% and the 10-year rose 21bps to 4.93%, with the rise in yields reflecting concerns that the RBA may need to keep policy tighter for longer, particularly given elevated energy prices and persistent inflation.

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Client service team

For any queries in relation to this monthly update, please contact:

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