SGHiscock
Investment Management

Income Trust

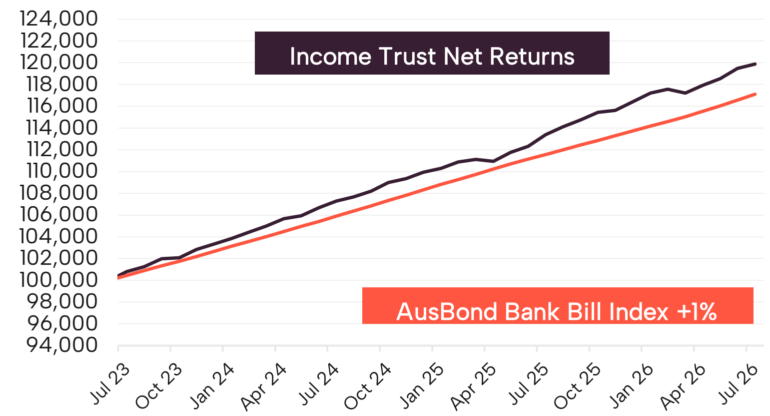
31 July 2026

Performance^	Gross Returns	Net Returns[1]	Objective
Monthly (%)	0.39	0.34	0.46
Quarterly (%)	1.84	1.67	1.36
FYTD (%)	0.39	0.34	0.46
1 year (%)	6.39	5.72	4.94
3 years (% p.a.)	6.60	5.94	5.21
5 years (% p.a.)	5.69	5.03	4.19
7 years (% p.a.)	4.90	4.24	3.38
Inception (% p.a.)	4.89	4.24	4.78

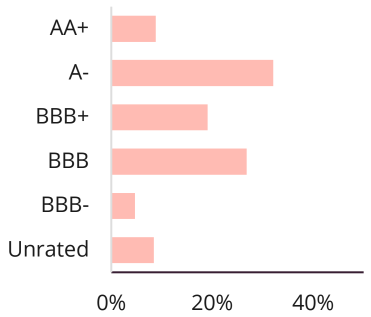
^Month, quarter and FYTD are holding period returns. Periods from 1 year to since inception are annualised.
[1]Total Net Return is the Trust return after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions.
Past performance is not a reliable predictor of future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

Rolling 3-year Trust Performance vs Objective

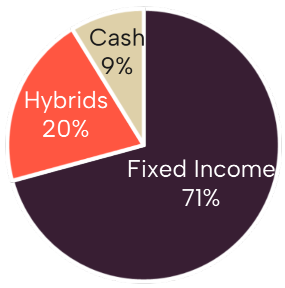
($100K invested over rolling 3 years)



Credit Rating Allocation



Asset Allocation



Source: SGHiscock Investment Management, Iress

Key Facts

Investment manager	SGHiscock Investment Management
Inception date	31 July 2004
Trust size	$22M
Management fees[2]	0.67%
Average Credit Rating	A–
Yield to Maturity	4.77%
Distributions payable	Quarterly
Buy/sell spread	+0.10%/-0.10%
Base currency	AUD
Domicile	Australia

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

Investment Objective

To provide investors with a quarterly income distribution and potential for compound growth by outperforming the Bloomberg AusBond Bank Bill Index (BAUBIL) by 1.0% (after fees) over rolling 3-year periods and invest in accordance with the Catholic Values Policy.

REGISTERED CHARITY
acnc.gov.au/charityregister

Monthly Insight

The Income Trust returned 0.34% net of fees for the month of July. The Trust has outperformed its objective over a rolling 3-year period.

Key Drivers

- Fixed interest returned 0.46%, as the portfolio's floating rate and shorter duration positioning limited the impact of rising bond yields
- Hybrids returned 0.28%, primarily reflecting coupon income, as credit spreads remained broadly flat over the month

Market Commentary

The Income Trust delivered a positive result in July despite a broad rise in bond yields, as the portfolio's floating rate and shorter duration positioning continued to limit the impact of rising rates on capital values. The fixed interest allocation was the key contributor, supported by resilient carry, while the hybrid allocation added a smaller but positive contribution, supported by continued spread tightening in the AT1 market.

The dominant catalyst over July was a sharp rebound in the oil price, up around 22%, as re-escalation and renewed instability in the Middle East reversed the disinflationary trend of the prior two months and drove a broad rise in global bond yields. In Australia, a resilient June labour market (employment up 76,300, far above the 15,000 expected, with unemployment steady at 4.4%) added to the case for a hawkish RBA stance. While markets continue to expect a hold at the 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 policy path meaningfully higher for longer.

The Australian 3-year government bond yield rose 13 basis points to 4.49% and the 10-year rose 21 basis points to 4.93%, in line with the broader global rise in yields. Tier 2 subordinated debt was a bright spot for the portfolio, with spreads trading in one of the tightest ranges since 2022, supported by very light new issuance and continued strong inflows into subordinated debt funds.

The portfolio's floating rate exposure, high quality credit focus and limited duration are designed to provide resilience in a higher-for-longer rate environment. We're watching closely for any change to the current technical backdrop in Tier 2 and subordinated debt markets, particularly the potential for increased issuance once the August bank reporting season concludes.

Client service team

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

David Doolan or **Fiona Hilbert**
P 03 9981 3300
E individualportfolios@sghiscock.com.au