

Income Trust

31 March 2026

Performance [^]	Gross Returns	Net returns ¹	Objective
Monthly (%)	-0.24	-0.30	0.40
Quarterly (%)	0.85	0.68	1.16
FYTD (%)	4.84	4.34	3.50
1 year (%)	6.14	5.47	4.80
3 years (% p.a.)	6.67	6.02	5.15
5 years (% p.a.)	5.40	4.75	3.89
7 years (% p.a.)	4.78	4.13	3.25
Inception (% p.a.)	4.85	4.20	4.77

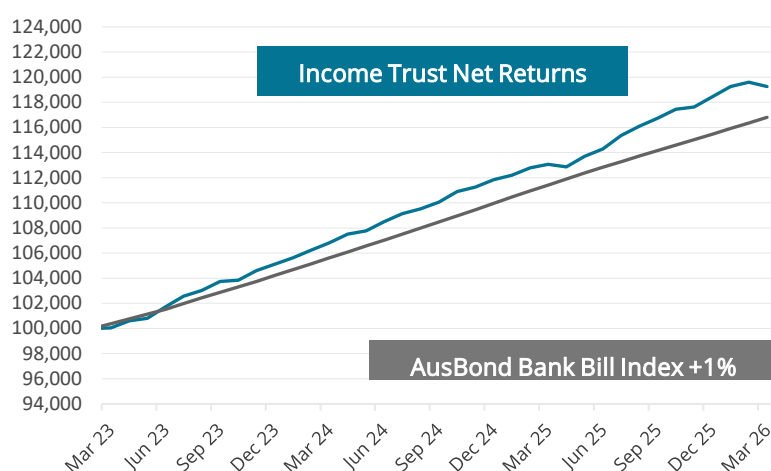
[^]Month, quarter and FYTD are holding period returns. Periods from 1 year to since inception are annualised.

¹ Total Net Return is the Trust return after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions.

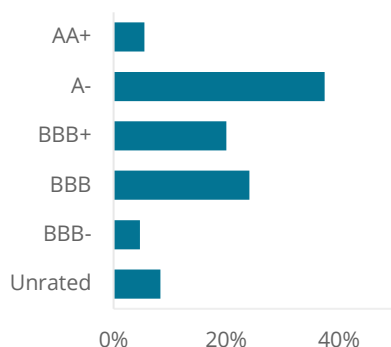
Past performance is not a reliable predictor of future performance.

Rolling 3-year Trust Performance vs Objective

\$100K invested over rolling 3 years

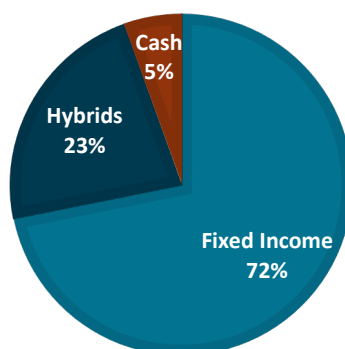


Credit Rating Allocation



Source: SG Hiscock Group, Iress

Asset Allocation



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.

Key Facts

Investment Manager	SG Hiscock & Company Limited
Inception date	31 July 2004
Trust size	\$22M
Management fees ²	0.67%
Average Credit Rating	A-
Yield to Maturity	5.45%
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").



The Income Trust returned -0.30 % net of fees for the month of March. The Trust has outperformed its objective over a rolling 3-year period.

Key Drivers

- **Hybrids** returned 0.17% mainly from coupon income.
- **Fixed income** returned -0.41% as credit spreads widened modestly

Market highlights

The Income Trust delivered a modest negative return over March as rising bond yields and wider credit spreads weighed on fixed income markets. The escalation in the US–Iran conflict drove a sharp increase in oil prices, lifting inflation expectations and prompting a repricing of the interest rate outlook toward a more prolonged tightening cycle. As the conflict intensified, investors shifted toward more defensive positioning, contributing to wider credit spreads. The portfolio's primary exposure to floating rate notes provided insulation from rising bond yields, although returns were still affected by the broader risk-off environment.

The RBA raised the cash rate by 25bps at its March meeting in response to rising inflation pressures. Over the month, markets moved to price additional tightening, with the Australian 3-year government bond yield rising by 0.44% to 4.66% and the 10-year yield increasing by 0.32% to 4.98%, resulting in a bear flattening of the yield curve.

Credit markets softened, with investment grade spreads widening amid the shift in risk sentiment. While the escalation in the Middle East remained the primary driver, concerns around private credit stress and potential AI-driven disruption also weighed on investor confidence. The Australian iTraxx Index closed 23.6bps wider at 91.66bps.

The portfolio remains well positioned in an environment of heightened uncertainty and geopolitical risk, with a focus on high quality credit, strong liquidity, and limited duration exposure. Floating rate holdings continued to benefit from elevated income levels, providing a degree of resilience against rising yields.

Looking ahead, the outlook remains closely tied to the path of the conflict and energy prices. While higher yields are improving income opportunities, further upside risk to inflation and policy rates remains, particularly if elevated oil prices persist.

Client service team

For any queries in relation to this monthly update, please contact **David Doolan** or **Fiona Hilbert** on +61 3 9981 3300 or email individualportfolios@sghiscock.com.au.

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