Investment report.

Catholic Super

30 September 2026

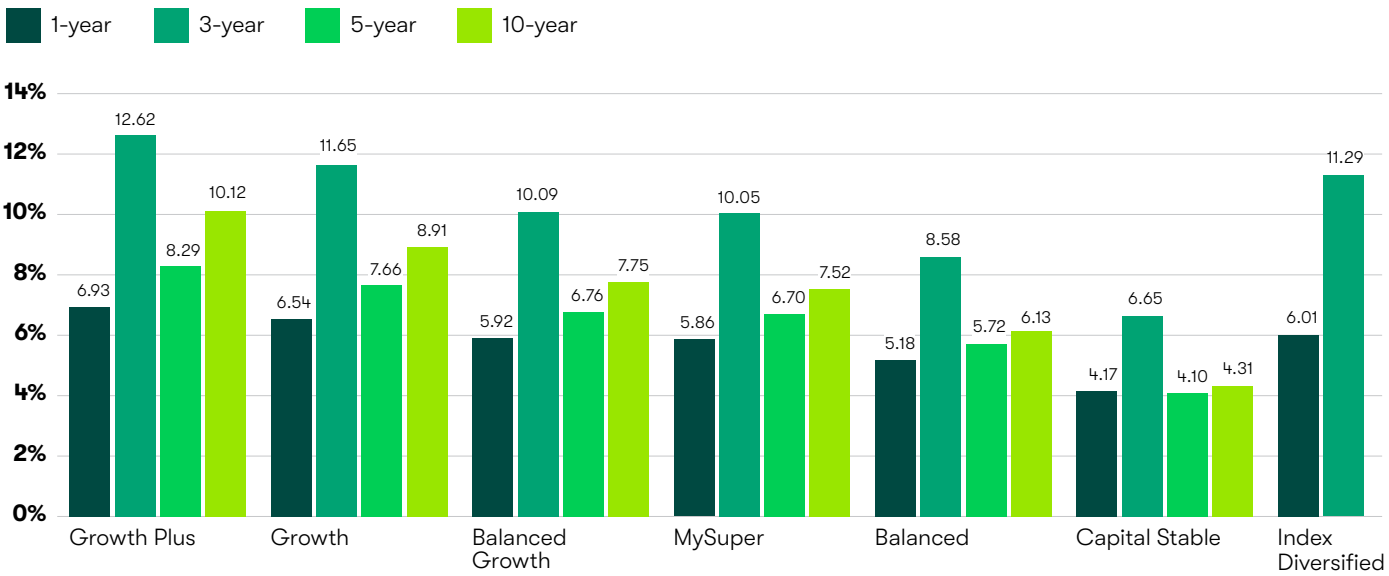
Markets experienced a mixed September quarter as investors navigated higher interest rates, inflation and geopolitical uncertainty. While these challenges may continue to create short-term volatility, our investment approach remains focused on the long-term and delivering strong outcomes for members.

Fund performance

Accumulation and transition to retirement (TTR)

The MySuper option returned 0.77% for the quarter ending 30 September 2026, and 5.86% for the last 12 months – after a volatile September quarter for investors. Long-term returns remain strong. Over the three years to 30 September 2026, the MySuper investment option delivered strong double-digit returns of 10.05% a year and Growth Plus (accumulation) returned 12.62% a year. Returns remain solid over the long term, with the MySuper investment option returning an average of 7.52% a year and Growth Plus (accumulation) 10.12% a year for the 10 years ended 30 September.

Diversified accumulation and TTR options 1,3,5 and 10-year returns (% p.a.) as at 30 September 2026



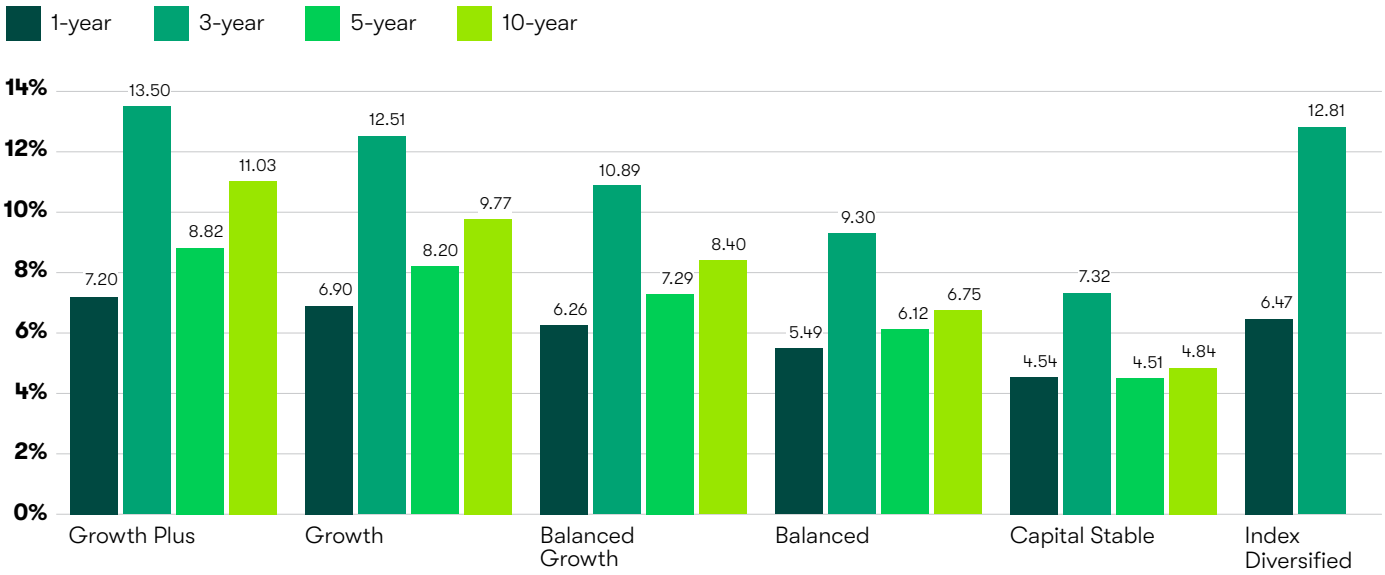
Investment option returns are shown after investment fees and tax. No allowance has been made for administration fees. Returns for periods of more than one year are compound annualised returns. Past performance is not a reliable indicator of future performance.

Retirement income

Our Balanced Growth (Retirement Income) option returned 0.61% for the quarter and 6.26% for the last 12 months, for periods ending 30 September 2026. That translated to an average return of 10.89% a year for the past three years ending 30 September. Over the long term returns remain solid, with the Balanced Growth (Retirement Income) investment option returning an average of 8.4% a year for the 10 years to 30 September.

These results serve as a reminder that while periods of market uncertainty are inevitable, maintaining a long-term investment perspective remains one of the most effective ways to grow retirement savings over time.

Diversified retirement income options 1,3,5 and 10-year returns (% p.a.) as at 30 September 2026



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Market review

Over the course of the September quarter we saw a distinct shift in market sentiment. Initially, equities rallied through to early August, supported by strong corporate earnings and a widespread view that geopolitical tensions would ease. But this momentum faded in September, as conflict in the Middle East intensified, oil prices rose, and expectations for higher interest rates pushed bond yields sharply higher. Markets retreated from their August highs before recovering some ground by quarter end.

In the US, the S&P 500 returned 2.2% during the quarter. Energy was a strong performing sector, whereas in contrast, utilities, industrials and real estate investment trusts (REITs) fell due to higher oil prices and bond yields. The US economy remained relatively strong, supported by earnings growth, resilient consumer demand and ongoing business investment. Continued spending on artificial intelligence infrastructure and technologies also boosted economic activity.

During the quarter, the US Federal Reserve implemented its first increase in official interest rates since 2023, as it continued to focus on bringing inflation down. This came despite signs that higher borrowing costs are already slowing parts of the economy.

Across the euro area, persistent inflation and stronger economic conditions reduced expectations of interest rate cuts. The European Central Bank held rates steady in July before lifting the deposit rate to 2.50% in September. Concerns about government finances continued, particularly in France, where political uncertainty and a worsening budget outlook saw the spread between French and German 10-year bond yields move above 1%.

In Australia the equity market was subdued. The S&P/ASX 200 Accumulation Index returned 1.3% for the quarter, with a solid August reporting season offset by concerns about inflation and interest rates. Inflation continued to moderate but remained above target, prompting a further rate increase from the Reserve Bank and reinforcing a cautious economic outlook.

Equity returns varied considerably across sectors during the quarter. Healthcare (+25.4%) led the market higher, rebounding from a weaker starting point and benefiting from a strong performance from CSL. Energy (+17.3%) also outperformed as oil prices rose amid geopolitical uncertainty. In contrast, Technology (-9.4%) came under pressure as higher bond yields reduced the appeal of more growth-focused companies, and Consumer Discretionary (-9.3%) was impacted by cautious consumer spending due to higher living costs and borrowing expenses.

Global bond markets experienced a notable sell-off during the quarter and this pushed yields sharply higher. Strong economic data, persistent inflation and expectations of a prolonged high-interest-rate environment prompted investors to revise their outlook, while increased government and company borrowing placed additional pressure on bond markets. The US 10-year Treasury yield finished September at around 5.3%.

Looking ahead

Markets enter the December quarter facing a complex and evolving backdrop. Economic growth in the US has remained relatively resilient. However, investors continue to weigh this strength against a range of risks, including elevated geopolitical tensions, persistent inflation pressures and the impact of higher interest rates on economic activity.

Inflation has moderated from the highs seen in recent years but remains above target in many developed economies. As a result, central banks have maintained a cautious stance, reinforcing expectations that interest rates may remain higher for longer. This has contributed to higher bond yields and increased volatility across financial markets as investors reassess the outlook for growth, inflation and monetary policy.

Geopolitical events continue to cause uncertainty. Ongoing conflict in the Middle East continues to pose risks to energy markets and global supply chains, and the potential for higher commodity prices adds to inflationary pressure. These developments have increased the possibility of slower global growth while inflation remains stubbornly high.

At the same time, investment in artificial intelligence and related infrastructure continues to support sections of the global economy and equity markets. However, much of the growth is being driven by a small number of companies, raising questions about whether their strong share prices are supported by their earnings.

In Australia, economic conditions remain subdued. High borrowing costs and ongoing cost-of-living pressures continue to limit household spending. Businesses also face a challenging operating environment, with expectations for economic growth weakening. Consumers and investors alike remain mindful of the interest rate outlook.

Financial markets are likely to remain sensitive to economic data, inflation, and interest rates. Market performance will depend largely on the balance between moderating inflation and slowing growth. Energy markets, geopolitics and global earnings trends will likely be key drivers of investor sentiment over the coming months, with the November mid-term elections in the US another important event to watch.

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Investment performance as at 30 September 2026

Accumulation and TTR returns (%)*^

Diversified options						
	QTR	FYTD	1 yr	3 yrs p.a.	5 yrs p.a.	10 yrs p.a.
Growth Plus	1.23	1.23	6.93	12.62	8.29	10.12
Growth	1.10	1.10	6.54	11.65	7.66	8.91
Balanced Growth	0.81	0.81	5.92	10.09	6.76	7.75
MySuper	0.77	0.77	5.86	10.05	6.70	7.52
Balanced	0.57	0.57	5.18	8.58	5.72	6.13
Capital Stable	0.22	0.22	4.17	6.65	4.10	4.31
Index Diversified#	0.87	0.87	6.01	11.29	–	–
Sector-specific options						
Australian Shares	1.98	1.98	2.65	10.41	7.63	8.69
Overseas Shares	0.66	0.66	10.24	16.88	9.43	12.22
Diversified Fixed Interest	-1.68	-1.68	-0.50	3.07	0.71	1.43
Cash	1.02	1.02	3.72	3.82	3.05	2.08

Retirement income returns (%)*^

Diversified options						
	QTR	FYTD	1 yr	3 yrs p.a.	5 yrs p.a.	10 yrs p.a.
Growth Plus	1.05	1.05	7.20	13.50	8.82	11.03
Growth	0.95	0.95	6.90	12.51	8.20	9.77
Balanced Growth	0.61	0.61	6.26	10.89	7.29	8.40
Balanced	0.43	0.43	5.49	9.30	6.12	6.75
Capital Stable	0.11	0.11	4.54	7.32	4.51	4.84
Index Diversified#	0.72	0.72	6.47	12.81	–	–
Sector-specific options						
Australian Shares	2.05	2.05	2.80	11.32	8.31	9.64
Overseas Shares	0.42	0.42	10.53	17.81	9.96	13.17
Diversified Fixed Interest	-1.95	-1.95	-0.52	3.68	0.88	1.77
Cash	1.19	1.19	4.33	4.46	3.56	2.43

Retirement income returns are generally higher than accumulation returns, as no tax is paid on earnings. For more information on the investment objectives and strategies for our investment options, please refer to the Catholic Super website or a Catholic Super PDS.

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*For periods greater than 1 year, returns are compound annualised returns. Returns are net of tax and investment fees.
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#Index Diversified commenced on 1 July 2023.

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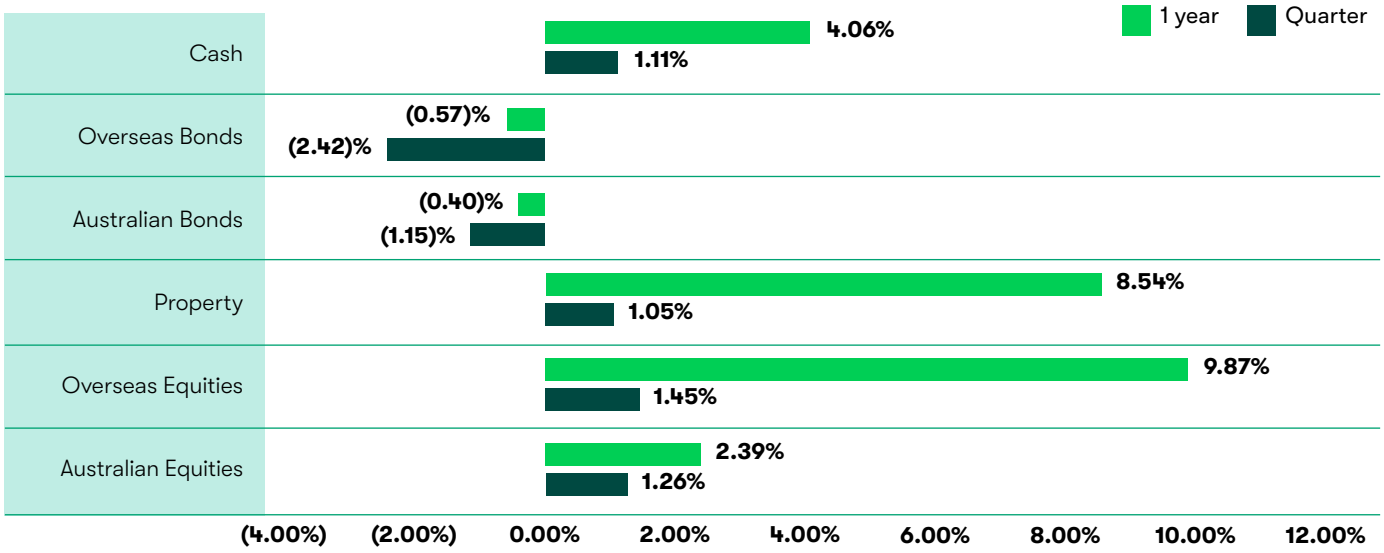
Index returns at 30 September 2026

The numbers shown below are the index returns of some of the major asset classes we invest in. These are not the returns we provide to our members with our investment options; rather, an index is a measure of the value of a section of a market and can be used to benchmark the performance of investors.



The asset class returns are represented by the following benchmarks: Australian equities: S&P ASX 300; Overseas equities: MSCI World ex-Australia Index (net divs), unhedged; Property: 90% Mercer Australian Unlisted Property Index and 10% FTSE EPRA/NAREIT Global Listed Index, hedged into AUD; Australian bonds: Bloomberg AusBond Composite Bond 0+ Yr Index; Overseas bonds: Barclays Capital Global Aggregate (hedged, in AUD); Cash: Bloomberg AusBond Bank Bill Index.

Top 10 holdings at 30 September 2026

Australian Shares	Overseas Shares
BHP Group Limited	Nvidia Corp
Commonwealth Bank Of Australia	Apple Inc
CSL Limited	Alphabet Inc
Macquarie Group Limited	Amazon
National Australia Bank	Taiwan Semicon Manufacturing Company Limited
ANZ Group Holdings Limited	Microsoft Corporation
Wesfarmers Limited	Broadcom Inc
Westpac Banking Corporation	Meta Platforms Inc
Woodside Energy	Advanced Micro Devices Inc
Rio Tinto Limited	ASML Holding NV

We're here to help

If you'd like further information about how your investments have performed, or if you've got any queries about your Catholic Super account, you can **contact us online at any time**, or give our team a call on **1300 655 002**, Monday to Friday 8:30am to 6:00pm AET.

If you need any assistance, please contact our Service Centre

1300 655 002

8:30am to 6:00pm AET
(Monday to Friday)

info@csf.com.au
csf.com.au

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Past performance is not a reliable indicator of future performance.