

# Investment report

## Market overview

As at 31 July 2026

### Oil retreats as tensions cool

The month began with the spot price of Brent crude oil dipping below US\$70 per barrel, the lowest level since before the Iran conflict began in late February. The mid-June signing of a Memorandum of Understanding between the US and Iran had further supported optimism for a durable end to the conflict, while signs that oil tankers were starting to transit through the Strait of Hormuz had also weighed on oil prices. Positive sentiment around the conflict faded over July, however, with military action re-escalating from both the US and Iran, and in mid-July the US reimposed a naval blockade on the Strait of Hormuz. Oil prices rebounded as a result, with Brent crude spiking briefly back above US\$100 per barrel and ending the month above US\$90 per barrel.

### AI rally faces a reality check

July also saw a reassessment of AI-related investments which have been a major driver of share markets over the past year. While the recent corporate earnings season was generally strong, including for major technology companies, it also raised questions over the scale of capital expenditure being undertaken and whether future returns would justify current share market valuations of some firms.

### Chip sell-off hits Korea hard

Memory chipmakers were hit particularly hard on concerns over competition from China, which weighed heavily on South Korea's share market. Having benefitted from a high exposure to leading memory chip manufacturers such as Samsung Electronics and SK Hynix as their share prices rallied earlier in the year, South Korea's KOSPI Composite Index fell by over 22% in July as these companies sold off sharply. The price declines were exacerbated by leveraged positions in these AI-related companies.

### ASX defies the tech drag

Australia's share market was a bright spot in July, with the S&P/ASX 200 Index rising 2.3%. The ASX's relatively low exposure to technology and AI-related companies insulated it from some of the broader share market weakness and volatility in the month, while the US S&P 500 edged down 0.1% and the tech-oriented NASDAQ Composite index fell 3.2% by comparison.

Geopolitical developments in the Middle East and the evolving AI thematic continued to drive markets in July, with mixed performance across shares and bonds.

### Bond yields rise on inflation doubts

Despite increased volatility within share markets, the underlying macroeconomic backdrop has remained reasonably resilient. The combination of firm economic activity and renewed upward pressure on energy prices put pressure on bond prices in July (bond prices move inversely to yields). Government bond yields moved higher across most developed economies, largely due to rising real yields, as investors reconsidered the likelihood of inflation returning to central bank targets in the near term.

### Central banks stay cautious

Major central banks, including the US Federal Reserve, the European Central Bank and the Bank of England, kept policy rates unchanged during the month. However, policymakers continue to signal a cautious stance, with higher energy prices posing an upside risk to core inflation rates that are already above central bank targets in many economies. Looking ahead, geopolitical developments and energy prices still have the potential to impact growth, inflation and the outlook for interest rates. Yet even if geopolitical risk and energy prices ease, resilient economic growth is likely to complicate the disinflation process, leaving little prospect for lower central bank interest rates in the near term.

# Investment performance

## Accumulation investment options as at 31 July 2026

|                      | High Growth | Growth Plus | Growth (MySuper) - Default | Conservative Growth | Conservative | Cash | Australian Shares | Diversified Fixed Interest | Overseas Shares | Indexed Diversified | Property |
|----------------------|-------------|-------------|----------------------------|---------------------|--------------|------|-------------------|----------------------------|-----------------|---------------------|----------|
| <b>1 month</b>       | 0.44        | 0.44        | 0.42                       | 0.40                | 0.31         | 0.35 | 1.75              | -0.02                      | -0.18           | 0.25                | 1.10     |
| <b>FYTD</b>          | 0.44        | 0.44        | 0.42                       | 0.40                | 0.31         | 0.35 | 1.75              | -0.02                      | -0.18           | 0.25                | 1.10     |
| <b>1 year</b>        | 8.60        | 8.54        | 8.30                       | 6.53                | 4.82         | 3.72 | 4.82              | 3.26                       | 8.26            | 7.76                | 13.03    |
| <b>3 years p.a.</b>  | 10.35       | 9.66        | 8.93                       | 7.26                | 5.56         | 3.99 | 8.97              | 4.56                       | 13.99           | 10.26               | 5.20     |
| <b>5 years p.a.</b>  | 7.48        | -           | 6.37                       | 4.79                | 3.33         | 3.05 | -                 | -                          | -               | -                   | -        |
| <b>7 years p.a.</b>  | 8.83        | -           | 7.24                       | 5.42                | 3.71         | 2.28 | -                 | -                          | -               | -                   | -        |
| <b>10 years p.a.</b> | 9.51        | -           | 7.91                       | -                   | 4.30         | 2.06 | -                 | -                          | -               | -                   | -        |

The crediting rate is based on investment returns minus investment fees and costs, transaction costs and investment-related taxes. Excludes fees and costs that are deducted directly from members' accounts. Past performance is not a reliable indicator of future performance. Media Super merged with CBUS on 9 April 2022 and as a result, pre-existing Media Super investment options were closed and Media Super members were transferred to equivalent Media Super branded investment options under United Super Pty Ltd. The historical performance displayed prior to this date relates to CBUS investment options and does not incorporate the performance of Media Super. Media Super members received a Successor Fund Transfer Exit Statement prior to merging with CBUS, detailing the performance of their Media Super investment options.