

MONTHLY UPDATE

October 2020

Performance as at 31st October 2020

	Month	Quarter	FYTD	1 Year	3 Years	5 Years
Income Trust	0.42	0.74	1.30	2.23	4.09	5.44
Catholic Values Trust	0.75	1.62	2.16	0.82	6.91	6.86

All returns are net of fees and yearly returns are annualised

Investment Market Review

Equity markets saw mixed returns across the globe in October. The Australian share market, as measured by the S&P/ASX 100 Accumulation Index, rebounded from Septembers decline and returned a positive 2.09% for October, while global shares, as measured by the MSCI World ex Australia Index (unhedged), returned -1.13% for the month.

Domestic Economy Update

Australia's unemployment rate edged higher in October as more people looked for work. Unemployment rose by 0.1% from 6.9% to 7.0% for the month. Surprisingly there were 178,800 jobs created in October as employers put on more people in both full-time (97,000) and part-time roles (81,800). The strong increase in employment means that October was only 1.7% below March and reflects a large flow of people from outside the labour force back into employment. The rise in employment was also accompanied by a strong rise in hours worked, particularly in Victoria, where hours increased by 5.6% as COVID-19 restrictions were eased.

The Reserve Bank of Australia (RBA) cut interest cuts from 0.25% to a new all-time low of 0.10% at its most recent meeting on 3 November. The RBA also announced that it would reduce the three-year bond rate target to 0.10% and confirmed it would buy \$100billion worth of Australian government bonds over the next six months to lift inflation and encourage lending and investment.

Following a decrease in the number of coronavirus cases across Victoria, the COVID-19 restrictions eased further from November 8. This saw the "Ring of Steel" removed from metropolitan Melbourne and travel between regional Victoria and metropolitan Melbourne reinstated. In further good news, Victoria has now recorded its 20th straight day of zero coronavirus cases which will hopefully see further restrictions eased in the near future. Australia has now recorded 907 deaths, up from 905 last month, while Victoria has recorded the majority of these, with 819 deaths (up from 817 last month) and 20,345 confirmed cases (up from 20,319 last month).

CCI Asset Management Update

Looking to make a new or additional investment?

For further information on investing with CCI Asset Management, please contact our National Business Development Manager, David Smith on (03) 9934 3077.

If you have any feedback or suggestions for the Monthly Update, please email david.smith@cciassetmanagement.org.au

Global Update

Joe Biden was elected the 46th president of the United States following the election on 3 November 2020. The Democratic Party, led by Joe Biden and the new Vice President Kamala Harris, defeated the Donald Trump Republican Party by 290 electoral votes to 232 electoral votes (counting still taking place in some States). As expected, Donald Trump has refused to concede defeat and has lodged legal action claiming election fraud.

While the number of COVID-19 seems to be declining in Australia, the same cannot be said worldwide. The death toll worldwide has reached over 1.31million, up from 1.12million deaths last month and confirmed cases has risen from 40.3million to 54.1 million in the last month. The United States has recorded over 245,000 deaths from 11million confirmed cases, while Brazil has recorded over 165,000 deaths from 5.84million confirmed cases. The coronavirus continues to spread through India and has claimed 129,000 lives from 8.81million recorded cases. In some positive news, two pharmaceutical companies, Pfizer and Moderna have claimed that their experimental coronavirus vaccines are nearly 95% effective.

COVID-19 continues to impact equity markets, with many markets following the results of the coronavirus. Australia and New Zealand, which currently seem to be on top of the coronavirus, both saw their markets deliver positive results, while the US and Europe, where the virus is still spreading strongly, their markets (Dow Jones, S&P 500, FTSE and the DAX 30) all declined for the month.

Income Trust

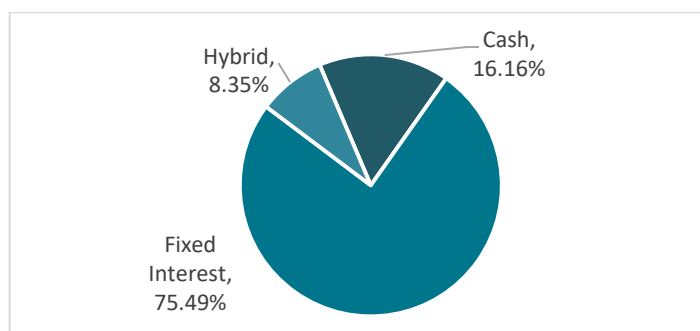
	Month	Quarter	FYTD	1 Year	3 Years	5 Years
Income Trust (Gross of Fees) [#]	0.47	0.90	1.52	2.88	4.74	6.09
Income Trust (Net of Fees) [#]	0.42	0.74	1.30	2.23	4.09	5.44
Benchmark	0.01	0.03	0.01	0.51	1.35	1.59
Objective: AusBond Bank Bill + 1.0%p.a. rolling 3yrs					2.35	

[#]All yearly returns are annualised

Monthly Performance Commentary

The Income Trust maintained its positive trend and registered 0.42% net of fees for the month of October. All asset classes outperformed for the month, with Fixed Interest the top performing asset class in absolute terms, followed by Cash and Hybrids. The Trust continues to outperform over all periods, including the 3 Year objective.

Asset Allocation

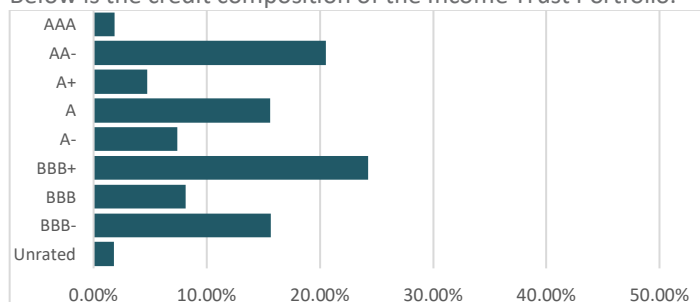


Top Contributors	Asset Class	Return %	Portfolio Contribution %
ANZ FRN	Fixed Interest	0.720	0.044
Toronto-Dominion Bank FRN	Fixed Interest	0.769	0.041
QUB Subordinated Notes	Fixed Interest	1.187	0.037
Bank of Queensland FRN	Fixed Interest	0.781	0.030
Standard Chartered Bank FRN	Fixed Interest	0.933	0.028

Top Detractors	Asset Class	Return %	Portfolio Contribution %
CBA Perls IX Capital Notes	Hybrid	-0.377	-0.003
ANZ Capital Notes 6	Hybrid	-0.843	-0.003
CBA Perls VII Capital Notes	Hybrid	-0.261	-0.002

Portfolio Credit Rating Allocation

Below is the credit composition of the Income Trust Portfolio.



Unrated securities largely consist of unrated retail issues including Suncorp Group Ltd. Together these unrated securities represent 1.80% of the Income Trust Portfolio as at 31 October 2020.

These securities have not been issued a credit rating by any rating agency in accordance with ASIC regulation regarding credit ratings on retail issues.

Credit ratings as classified by Standard & Poor's

Fixed Interest

Fixed Interest delivered a positive return in October and as a result of its large asset allocation of 75.49%, the outperformance of this asset class had a large impact on the portfolio return and ensured it was the top contributor. ANZ Floating Rate Notes was the top contributor for the month, followed by Toronto-Dominion Bank Floating Rate Note, Qube Holdings Subordinated Notes and Bank of Queensland Floating Rate Note. There were no detractors for the period.

Hybrid Securities

Hybrid Securities delivered a flat return for the period. Westpac Capital Notes 3 was the top contributor for the month, followed by ANZ Preference Shares and Westpac Capital Notes, while CBA Perls IX Capital Notes, ANZ Capital Notes 6 and CBA Perls VII Capital Notes were the top detractors for the period.

Hybrid Portfolio

Security	Issuer Margin
ANZ Bank Preference Shares	BBSW 90 Day + 3.40%
ANZ Capital Notes 6	BBSW 90 Day + 3.40%
CBA Perls VII Capital Notes	BBSW 90 Day + 2.80%
CBA Perls XII Capital Notes	BBSW 90 Day + 3.00%
CBA Perls IX Capital Notes	BBSW 90 Day + 3.90%
Macquarie Capital Notes	BBSW 90 Day + 4.70%
NAB Subordinated Notes 2	BBSW 90 Day + 2.20%
Suncorp Group Capital Notes	BBSW 90 Day + 4.10%
Westpac Group Capital Notes	BBSW 90 Day + 3.70%
Westpac Capital Notes 3	BBSW 90 Day + 4.00%

Fund Distribution History (cents per unit)

30 September 2019:	0.38
31 December 2019:	0.32
31 March 2020:	0.32
30 June 2020:	0.30
30 September 2020:	0.12

Catholic Values Trust

	Month	Quarter	FYTD	1 Year	3 Years	5 Years
Catholic Values Trust (Gross of Fees) [#]	0.81	1.79	2.39	1.52	7.61	7.56
Catholic Values Trust (Net of Fees) [#]	0.75	1.62	2.16	0.82	6.91	6.86
Benchmark	0.70	1.31	0.70	-0.20	5.91	6.58
Objective: CPI + 3%p.a. rolling 3 & 5 yrs					4.52	4.56

[#]All yearly returns are annualised

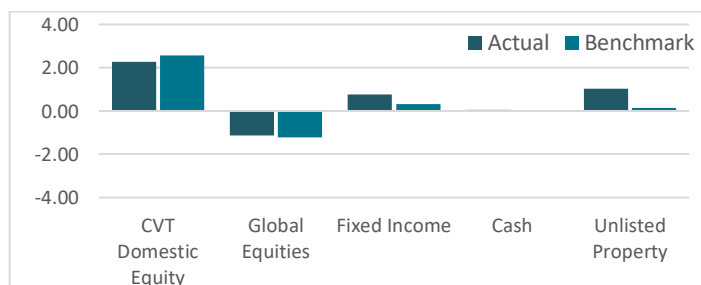
Monthly Performance Commentary

The Catholic Values Trust reversed last month's underperformance to deliver a positive return in October, climbing by 0.75% net of fees for the month. Returns were mixed across the asset classes, with Australian Equities the top contributor in absolute terms, followed by Property and Fixed Interest, while Global Equities was the top detractor for the period.

Asset Allocation

	CCI Asset Management	Benchmark Allocation
AU Equity	34.93%	35.00%
Global Equity	25.04%	25.00%
Property	2.63%	5.00%
Fixed Interest	19.73%	25.00%
Cash	17.66%	10.00%

Asset Class Return

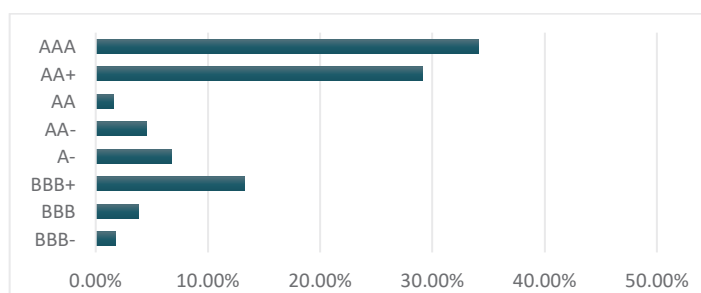


Fixed Interest

The Catholic Values Trust is underweight in Fixed Interest, and continues to maintain the majority of its exposure to semi-government securities. Fixed Interest outperformed the benchmark for the month.

Fixed Interest Credit Rating Allocation

Below is the credit composition of the Fixed Interest asset class.



Credit ratings as classified by Standard & Poor's.

Australian Equities

October was a solid month for Australian Equities and returned just over 2% for the month. Financials was the best performing sector for the month, while Industrials were the top detractor. The Big 4 Banks all made the top contributors list, with CBA leading the way followed by ANZ, Westpac and NAB. The other top contributor was Afterpay Touch Group, which surged over 20% for the month following a banking deal with Westpac. BHP was the top detractor for the period after its quarterly update, followed by Transurban Group, Newcrest Mining, Brambles and Telstra.

Top Contributors	Return %	AU Contribution %
CBA	8.505	0.227
ANZ Ltd	9.233	0.108
Westpac Banking Corporation	6.354	0.094
Afterpay Touch Group Ltd	20.87	0.091
NAB	4.789	0.068

Top Detractors	Return %	AU Contribution %
BHP Group Limited	-5.112	-0.119
Transurban Group	-4.607	-0.041
Newcrest Mining Limited	-6.402	-0.039
Brambles Limited	-8.580	-0.039
Telstra Corporation Limited	-3.597	-0.027

Global Equities

Manager: Vanguard Ethically Conscious International Shares Index Fund

The Vanguard Ethically Conscious International Share Index Fund declined in October. It was again some of the larger tech stocks that were sold off as investors took some profits off the table. The top five detractors were Apple, SAP, Mastercard, Microsoft and Intel, with Apple dropping close to 13% for the month despite reporting slightly better than expected earnings in its quarter 4 financial report and SAP falling 31.1% in October on the back of disappointing third-quarter results. On the positive side Alphabet (formerly known as Google) was the top contributor as its share price added 12.87% for the month after positive third quarter results, while Thermo Fisher Scientific, JP Morgan and Facebook were also top contributors. Thermo Fisher Scientific climbed 9.39%, JP Morgan rose 4.90% and Facebook closed 2.55% higher after strong revenues were announced.

Fund Distribution History (cents per unit)

30 June 2019:	6.26
31 December 2019:	1.37
30 June 2020:	3.14

For any queries in relation to this CCI Asset Management Monthly Update please contact

1300 655 220

www.cciassetmanagement.org.au

David Smith

Business Development Manager

03 9934 3077

david.smith@cciassetmanagement.org.au

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