

# MONTHLY UPDATE

## June 2023

### CATHOLIC VALUES TRUST

#### Investment Objective

To provide a return (after fees and expenses) that exceeds CPI by 3% p.a. measured over a rolling 7-year period, and invest in accordance with the Catholic Values Policy.

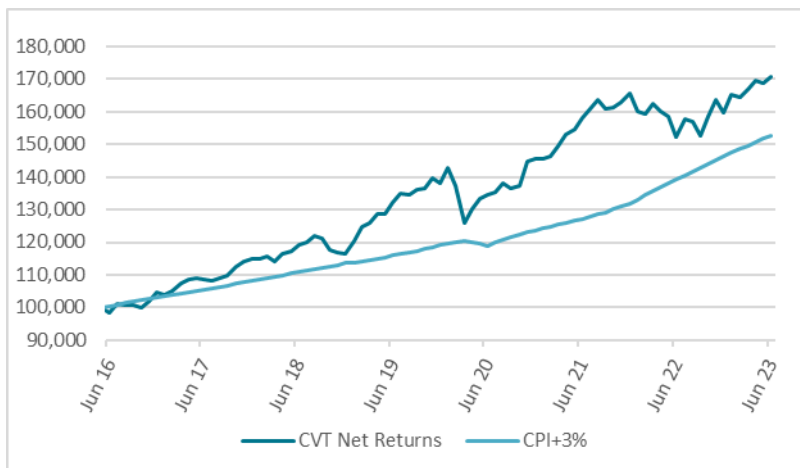
#### Performance

	Month	Quarter	FYTD	1 Year	3 Years	5 Years	7 Years
Catholic Values Trust (Gross of Fees) <sup>^</sup>	1.23	2.54	13.06	13.06	8.99	8.14	8.93
Catholic Values Trust (Net of Fees) <sup>^</sup>	1.17	2.36	12.36	12.36	8.29	7.44	8.23
Objective <sup>^</sup>	0.70	2.12	9.60	9.60	8.52	6.53	6.09

<sup>^</sup> Month, quarter and FYTD are holding period returns. 1 year, 3 year, 5-year, 7 year & since inception returns are annualised.

#### Rolling 7-year Fund Performance vs Objective

\$100K invested over rolling 7 years



Catholic Values Trust returned 1.17% net of fees for the month of June. The Fund has outperformed its objective over a rolling 7-year period.

#### Key Contributors

- ◆ **Global equities** returned 3.61% in June. Risk sentiment was supported by the Fed pause and resilient economic indicators in the US, raising hopes for a soft landing. The AUD appreciated against the USD, which detracted from returns.
- ◆ **Australian Equities** returned 1.78% in June. The materials sector was the best performer on hopes that stronger stimulus measures in China would support commodity prices. The healthcare sector lagged, largely due to a disappointing market update by CSL.
- ◆ **Unlisted Property** returned 0.39% over June.

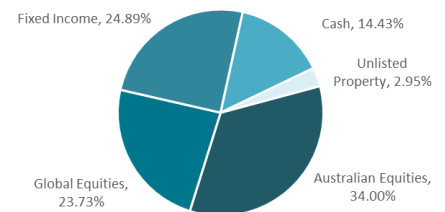
#### Key Detractors

- ◆ **Fixed Income** returned -1.08% in June, accrued interests offset some of the capital losses from rising yields.

#### Portfolio Statistics

Funds Under Management	152 Million
Performance Return Since Inception net of fees (Jan 31, 2002) <sup>^</sup>	6.83%
Distribution Frequency	Half Yearly

#### Asset Allocation



#### Market Highlights

- ◆ **Australian equities** (S&P/ASX100) finished the month 1.94% higher. The RBA raised the cash rate by 25bps. Inflation eased to 5.6% yoy in May, below expectations of 6.1%. The labour market remains resilient, with unemployment at 3.6%. Retail sales rose more than expected in May, as consumers took advantage of sales promotions. House prices continued to rebound, driven by a combination of population pressures and supply shortages.
- ◆ **Global equities** (MSCI World ex-Australia \$A Unhedged) finished the month 3.12% higher. US inflation eased to 4% yoy in May. The Fed kept rates on hold after 10 consecutive hikes but maintained a tightening bias. Other economic data from the US, showed stronger than expected retail sales, home sales, and an uptick in the unemployment rate.
- ◆ **Fixed Income**, as measured by the Bloomberg AusBond Composite 3-5 Yr Index finished the month 1.79% lower. Bond yields rose sharply over month with the 10-year Australian government bond rising 42bps and 3-year rising 65bps. The moves reflected further hawkishness from the RBA.

# INCOME TRUST

## Investment Objective

To provide investors with a quarterly income distribution and potential for capital growth by outperforming the Bloomberg AusBond Bank Bill Index by 1% p.a. (net of fees) over rolling 3-year periods.

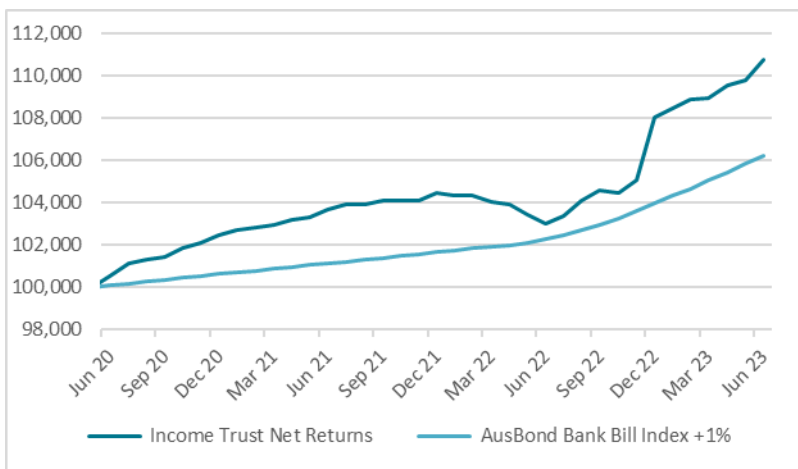
## Performance

	Month	Quarter	FYTD	1 Year	3 Years
Income Trust (Gross of Fees) <sup>^</sup>	0.97	1.85	8.20	8.20	3.94
Income Trust (Net of Fees) <sup>^</sup>	0.91	1.68	7.55	7.55	3.29
Objective <sup>^</sup>	0.33	1.09	3.83	3.83	1.99

<sup>^</sup> Month, quarter and FYTD are holding period returns. 1 year & 3 year returns are annualised.

## Rolling 3-Year Fund Performance vs Objective

\$100K invested over rolling 3 years

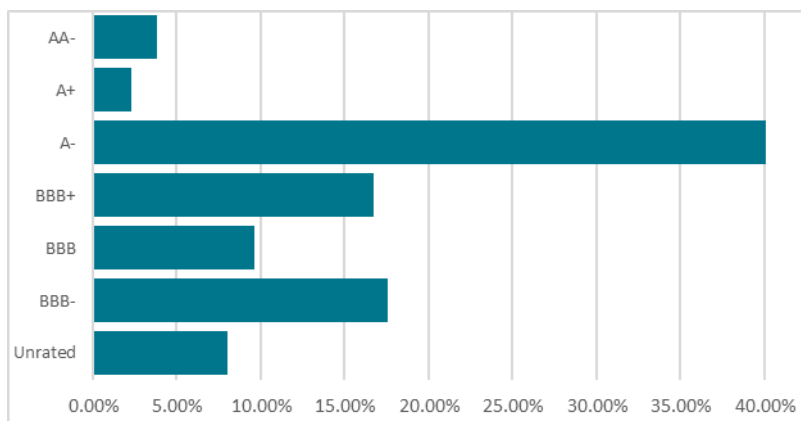


The Income Trust returned 0.91% net of fees for the month of June. The Fund has outperformed its objective over a rolling 3-year period.

### Key Contributors

- ◆ **Fixed Interest** returned 0.70%, from a combination of tightening credit spreads and accrued interests.
- ◆ **Hybrids** returned 1.74%, largely from accrued interests. MQGPE was the largest contributor.

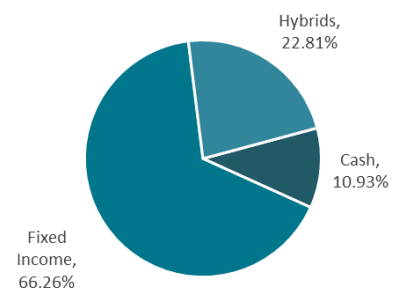
## Credit Rating Allocation



## Portfolio Statistics

Funds Under Management	30 Million
Performance Return Since Inception net of fees (July 31, 2004) <sup>^</sup>	3.95%
Distribution Frequency	Quarterly
Yield to Maturity	5.58%
Average Credit Rating	BBB+

## Asset Allocation



## Market Highlights

- ◆ **Fixed Income:** Floating Rate credit finished the month 0.41% higher. Australian floating rate note spreads tightened by 84bps over the month. Primary issuance markets were active, and investors sought after attractive yields.
- ◆ **Cash:** The Reserve Bank of Australia (RBA) raised rates by 25bps in June, taking the cash rate to 4.1%. The three-month bank bill yield rose 37bps, finishing the month at 4.35%
- ◆ **Hybrids** fell in June as the average major bank hybrid widened by 62bps. The moves followed risk on sentiment in the local equities market.

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