

MONTHLY UPDATE

August 2022



CATHOLIC VALUES TRUST

Investment Objective

To provide a return (after fees and expenses) that exceeds CPI by 3% p.a. measured over rolling 3-year and 5-year periods, and invest in accordance with the Catholic Values Policy.

Performance

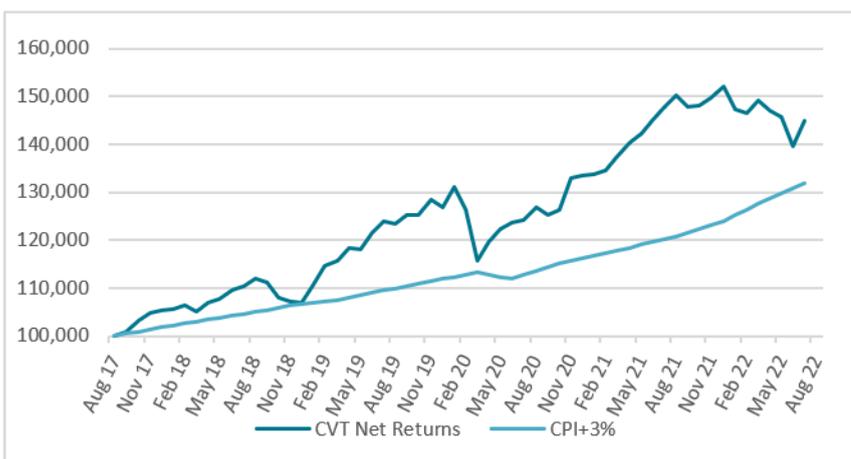
	Month	Quarter	FYTD	1 Year	3 Years	5 Years
Catholic Values Trust (Gross of Fees) [^]	-0.28	-0.72	3.42	-3.22	6.02	8.31
Catholic Values Trust (Net of Fees) [^]	-0.34	-0.90	3.31	-3.92	5.32	7.61
Objective* [^]	0.84	2.52	1.67	9.86	6.46	5.79

[^] Month, quarter and FYTD are holding period returns. 1 year, 3 year, 5-year & since inception returns are annualised.

*Objective is to outperform CPI + 3% p.a. rolling 3 & 5 years (net of fees)

Rolling 5-year Fund Performance vs Objective

\$100K invested over rolling 5 years



Catholic Values Trust returned -0.34% net of fees for the month of August. The Fund has underperformed its objective over the rolling 3-year period but outperformed its rolling 5-year period.

Key Contributors

◆ **Australian Equities** returned 1.52% over August. The materials and energy sector outperformed due to positive earnings arising from high commodity prices seen in the second half of FY22.

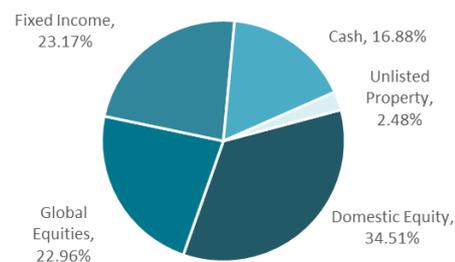
Key Detractors

- ◆ **Global equities** returned -3.06% in August as an earlier rally reversed course mid-month and recession fears once again took over, particularly after the Fed's signalled a more hawkish stance.
- ◆ **Fixed Income** returned -1.03% in August driven by government bond yields rising more than 45bps across the curve. Larger losses were seen in longer dated government bonds.

Portfolio Statistics

Funds Under Management	\$179 Million
Performance Return Since Inception net of fees (Jan 31, 2002) [^]	6.68%
Distribution Frequency	Half Yearly

Asset Allocation



Market Highlights

◆ **Australian equities** (S&P/ASX100) returned 1.3% in August. The positive sentiment over the course of the first few weeks was driven by strong earnings reports. Inflation worries returned in the latter stages of the month and handed back some of the earlier gains. Energy sector was the best performer while Real Estate, Consumer Staples and Utilities sectors were key detractors due to expectations for more aggressive rate hikes.

◆ **Global equities** (MSCI World ex-Australia \$A Unhedged) finished the month lower, down 2.5%. Elevated recession risks and concerns that central banks are likely to continue raising rates weighed on the market. The interest rate sensitive stocks such as information technology, healthcare and real estate sectors experienced some of the sharpest declines. A 1% fall in AUD vs USD reduced some of the losses in the asset class.

◆ **Fixed Income**, as measured by the Bloomberg AusBond Composite 3-5 Yr Index was 1.75% lower in August. Australian bond yields fell by 45 to 55bps across the curve. Markets priced in more aggressive rate hikes as Central Banks reaffirmed their commitment in reining in inflation.

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 1.0% p.a. (net of fees) over rolling 3-year periods.

Performance

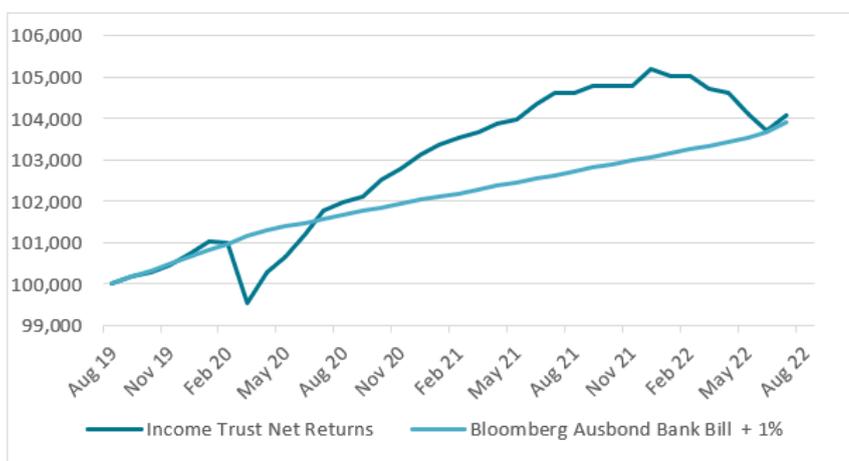
	Month	Quarter	FYTD	1 Year	3 Years
Income Trust (Gross of Fees) [^]	0.74	0.81	1.15	0.82	2.22
Income Trust (Net of Fees) [^]	0.69	0.65	1.05	0.17	1.57
Objective* [^]	0.24	0.57	0.44	1.38	1.36

[^] Month, quarter and FYTD are holding period returns. 1 year, 3 year, 5-year & since inception returns are annualised.

*Objective is to outperform AusBond Bank Bill + 1.0% p.a. rolling 3 years (net of fees)

Rolling 3-Year Fund Performance vs Objective

\$100K invested over rolling 3 years

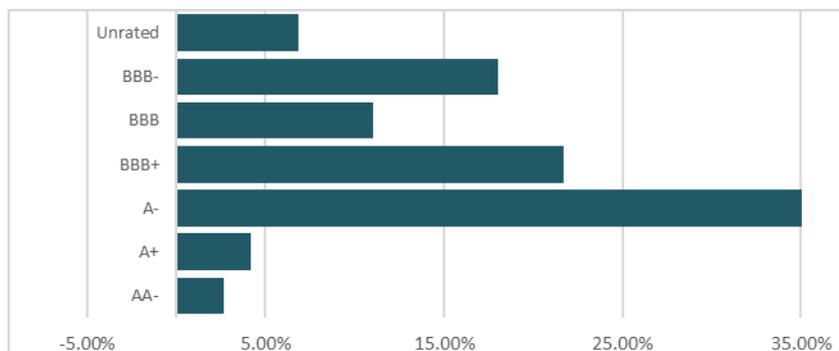


The Income Trust returned 0.69% net of fees for the month of August. The Fund has outperformed its objective over a rolling 3-year period.

Key Contributors

- ◆ Fixed Income returned 0.69% over the month driven by stronger demand for floating rate credit in a rate rising environment. Longer dated major bank subordinated debt were the key contributors.
- ◆ Hybrids had a strong month in August, adding 0.82% with the Macquarie Bank Capital Notes 2 the highest contributor.

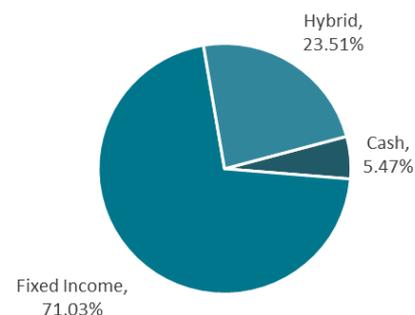
Credit Rating Allocation



Portfolio Statistics

Funds Under Management	\$40 Million
Performance Return Since Inception net of fees (July 31, 2004) [^]	3.78%
Distribution Frequency	Quarterly
Yield to Maturity	5.22%
Average Credit Rating	BBB+

Asset Allocation



Market Highlights

- ◆ **Fixed Income:** Floating Rate credit markets closed stronger over the month, returning 0.35%. Australian floating rate note spreads tightened by 6.63bps reflecting higher demand for credit during August.
- ◆ **Cash:** The Reserve Bank of Australia (RBA) continued with monetary tightening, raising the official cash rate by 50bps to 1.85%. Short-term money market yields continued to rise, reflecting the shift by central banks to a more aggressive tightening cycle. The three-month bank bill yield ended the month 34bps higher at 2.46%.
- ◆ **Hybrids** had another strong month in August with credit spreads narrowing 19bps reflecting the market's increased appetite for credit amidst rising rates.

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