

MONTHLY UPDATE

December 2021



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) [^]	1.55	2.96	5.00	14.51	13.12	10.25
Catholic Values Trust (Net of Fees) [^]	1.49	2.78	4.65	13.81	12.42	9.55
Objective* [^]	0.50	1.50	3.01	5.91	4.87	4.86

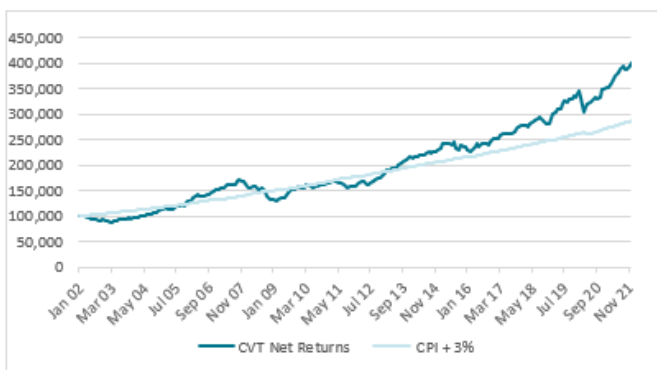
[^] Month, quarter and FYTD are holding period returns

1 year, 3 year, 5-year & since inception returns are annualised

*Objective is CPI + 3% p.a. rolling 3 & 5 years

Fund Performance Since Inception

\$100K invested since inception



Catholic Values Trust returned 1.49% net of fees for the month of December. The Fund has outperformed its objective over the rolling 3-year and 5-year periods.

Key Contributors

- ◆ Australian equities outperformed the ASX100 benchmark (3.05% vs 2.84%) on the back of the exclusion of stocks as per the Catholic Value Policy.
- ◆ Global equity markets rose over the month, returning 1.42% despite the heightened volatility from the threat of the Omicron virus strain and a shift in policy from several central banks.

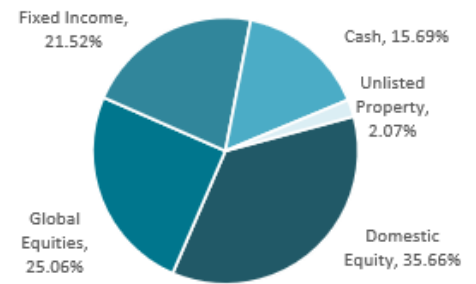
Key Detractors

- ◆ Cash was the key detractor producing almost nil return over the month due to the low official cash rate of 0.1%.
- ◆ Fixed Income returned a modest 0.11% in December with tepid movements in government bond yields and credit spreads

Portfolio Statistics

Funds Under Management	\$199 million
Performance Return Since Inception net of fees (Jan 31, 2002) [^]	7.18% p.a.
Distribution Frequency	Half Yearly

Asset Allocation



Market Highlights

- ◆ Australian equities (S&P/ASX100) ended the month up 2.84%. The market was mainly led higher by gains in the Financials and Materials sectors.
- ◆ Global equities returned 1.68% in December as concerns faded over the Omicron variant's impact on the economy with its seemingly milder virulence than previous variants. Some of these gains were marginally offset by a 1.91% fall in USD against the AUD.
- ◆ The bond market was volatile and mixed in the face of uncertainties around Omicron and paths of central bank monetary policy to combat inflation. Fixed Income, as measured by the Bloomberg AusBond Composite 3-5 Year Index was flat over December.
- ◆ Cash produced almost nil return over December. The Reserve Bank of Australia's is prepared to potentially cease bond purchases as early as February 2022 depending on the outlook of the economy.

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	5 Years
Income Trust (Gross of Fees) [^]	0.43	0.56	1.13	2.66	3.40	4.42
Income Trust (Net of Fees) [^]	0.38	0.40	0.80	2.01	2.75	3.77
Objective* [^]	0.09	0.26	0.51	1.02	1.63	2.11

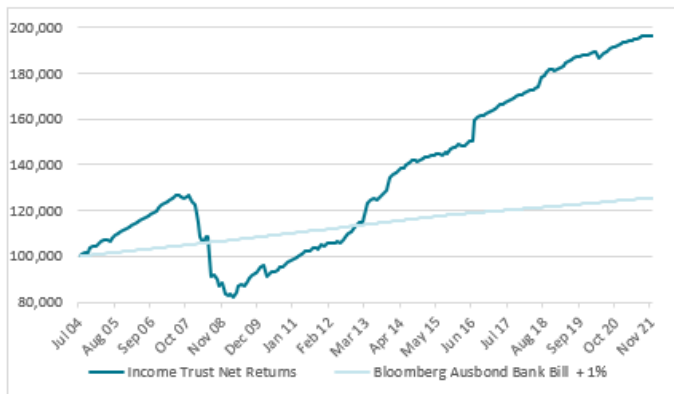
[^] Month, quarter and FYTD are holding period returns

1 year, 3 year, 5-year & since inception returns are annualised

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

Fund Performance Since Inception

\$100K invested since inception



The Income Trust returned 0.38% net of fees for the month of December. The Fund has outperformed its objective over a rolling 3-year period.

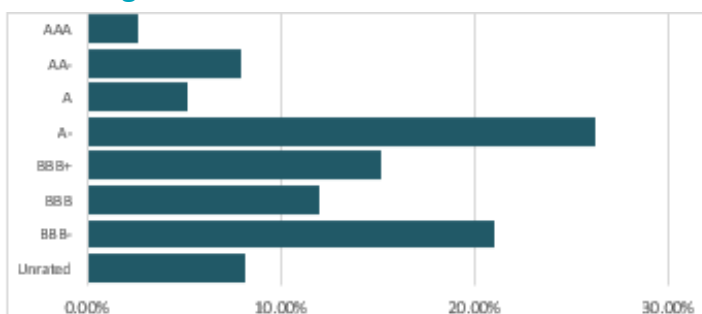
Key Contributors

- Hybrids performed strongly across the board returning 1.04% over the month with the strongest contributor coming from securities with short call dates.
- Floating rate credit returned 0.16% over December with strong performance particularly from subordinated debt.

Key Detractors

- The low official policy rate contributed to almost nil return for Cash over the month. The key driver of return continues to be the Trust's allocation to major bank term deposits.

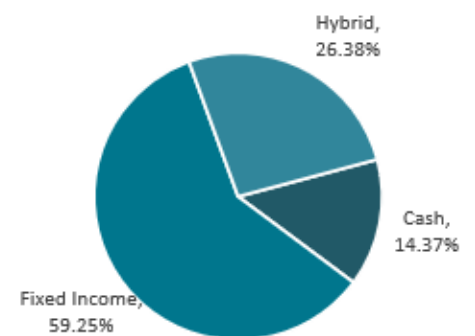
Credit Rating Allocation



Portfolio Statistics

Funds Under Management	\$46 million
Performance Return Since Inception net of fees (Dec 31, 2000) [^]	3.95% p.a.
Distribution Frequency	Quarterly
Yield to Maturity	2.02%
Average Credit Rating	A-

Asset Allocation



Market Highlights

- While floating rate credit spreads closed 1.3bps wider over the month, the lower quality credit markets such as subordinate debt outperformed.
- Short term money market rates ended the month 2bps higher at 7bps, reflecting market expectations of policy rate normalisation despite the RBA's stance that a rise in the official cash rate is "plausible" in 2023.
- The hybrid market strengthened, with spreads narrowing by 34bps over the month despite the lower liquidity and lack of issuance into the year-end.

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