

MONTHLY UPDATE

February 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)^	-0.48	-2.04	1.30	9.61	9.22	9.36
Catholic Values Trust (Net of Fees)^	-0.54	-2.21	0.83	8.91	8.52	8.66
Objective*^	0.69	2.08	5.00	7.00	5.36	5.09

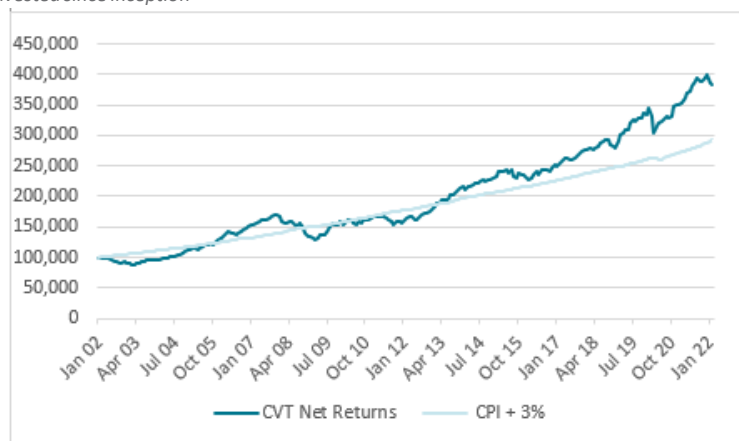
^ Month, quarter and FYTD are holding period returns

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 -0.54% net of fees for the month of February. The Fund has outperformed its objective over the rolling 3-year and 5-year periods.

Key Contributors

- ◆ Australian Equities returned 3.41% on the back of the Materials and Energy sectors and franking credit benefits accrued from the recent WBC buyback.

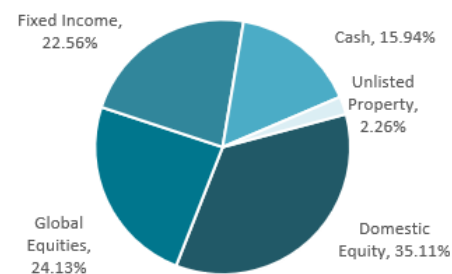
Key Detractors

- ◆ Global Equities returned -6.1% over the month mainly driven by inflation concerns exacerbated by the Russian invasion of Ukraine.
- ◆ Fixed Income returned -0.72% in February due to bond yields rising by as much as 0.28% on the back of concerns over higher energy prices and rising inflation.
- ◆ Property returned -0.45% due to a reporting lag. Reduced portfolio valuation from distributions paid over January is reflected in February's performance numbers.

Portfolio Statistics

Funds Under Management	\$190 million
Performance Return Since Inception net of fees (Jan 31, 2002)^	6.93% p.a.
Distribution Frequency	Half Yearly

Asset Allocation



Market Highlights

- ◆ **Australian equities** (S&P/ASX100) ended the month up 2.36%. The conflict in Ukraine and resultant sanctions on Russia drove commodity prices higher that led to an increase in the Materials and Energy sectors.
- ◆ **Global equities** (MSCI World ex-Australia \$A Unhedged) fell 5.52% over the month of February. Russia's invasion of Ukraine has roiled global markets, sending energy prices higher that may add to inflation and at the same time, dampening economic growth. A 2.7% gain in AUD vs USD also contributed to the fall in equity markets
- ◆ **Fixed Income**, as measured by the Bloomberg AusBond Composite 3-5 Yr Index fell by 0.9% over February. Bond yields rose by 28bps on the back of rising inflation concerns before easing back by the end of the month as risk appetite waned after broadened sanctions against Russia.
- ◆ **Cash** produced almost nil return over the month in line with the policy rate of 0.10% with the tightening cycle expected to be gradual over 2022. The RBA ended Quantitative Easing in February and kept interest rates on hold as they wait to see stronger wage growth.

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) [^]	0.06	0.38	1.08	2.10	3.04	4.25
Income Trust (Net of Fees) [^]	0.00	0.22	0.64	1.45	2.39	3.60
Objective* [^]	0.09	0.26	0.69	1.03	1.51	2.05

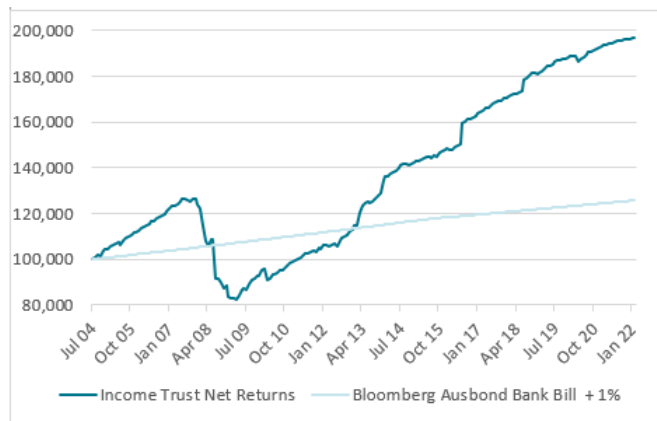
[^] Month, quarter and FYTD are holding period returns

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 0.00% net of fees for the month of February. The Fund has outperformed its objective over a rolling 3-year period.

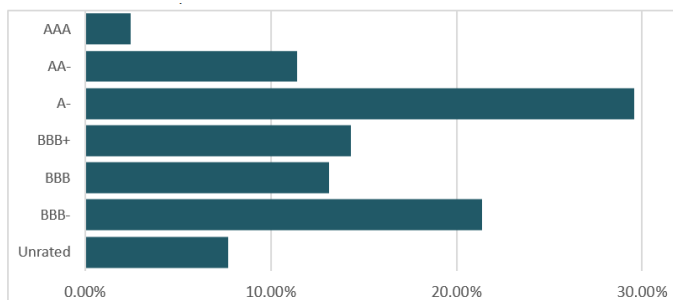
Key Contributors

- Hybrids was the key contributor, producing a return of 0.21% over the month of February. The asset class was supported by the recent ANZ Capital notes primary issuance that saw strong interests, particularly from the retail market.

Key Detractors

Floating rate credit returned -0.09% over February with widening spreads driven by the risk-off sentiment from Russia's invasion of the Ukraine and persistent inflation concerns.

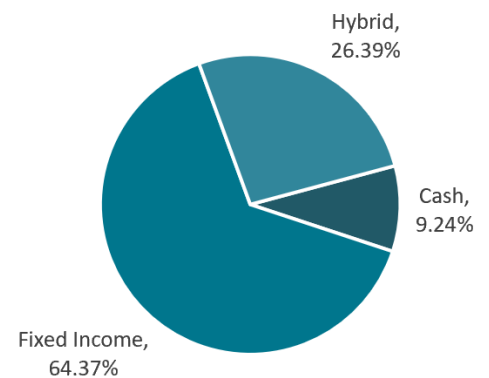
Credit Rating Allocation



Portfolio Statistics

Funds Under Management	\$46 million
Performance Return Since Inception net of fees (Dec 31, 2000) [^]	3.90% p.a.
Distribution Frequency	Quarterly
Yield to Maturity	2.77%
Average Credit Rating	A-

Asset Allocation



Market Highlights

- It was a volatile month for credit markets. Spreads widened by around 5bps over February following the US Federal Reserve's hawkish tone towards higher rates and rising geopolitical instability caused by the war between Russia and Ukraine.
- Short-term money market rates edged marginally higher at 8bps, as markets continued to bring forward the Reserve Bank of Australia (RBA) cash rate hike to mid this year.
- Hybrid returns ended the month slightly positive with pricing remaining stable due to the lack of liquidity and the support of retail investors from the recent ANZ hybrid primary issuance.

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