

# MONTHLY UPDATE

## August 2021



### CATHOLIC VALUES TRUST

#### Performance

	Month	Quarter	FYTD	1 Year	3 Years	5 Years
Catholic Values Trust ( <i>Gross of Fees</i> ) <sup>^</sup>	1.76	5.82	3.54	19.22	10.97	10.89
Catholic Values Trust ( <i>Net of Fees</i> ) <sup>^</sup>	1.70	5.64	3.42	18.52	10.27	10.19
Objective*	0.50	1.51	1.00	6.29	4.75	4.82

<sup>^</sup>All yearly returns are annualised

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

#### Investment Objective

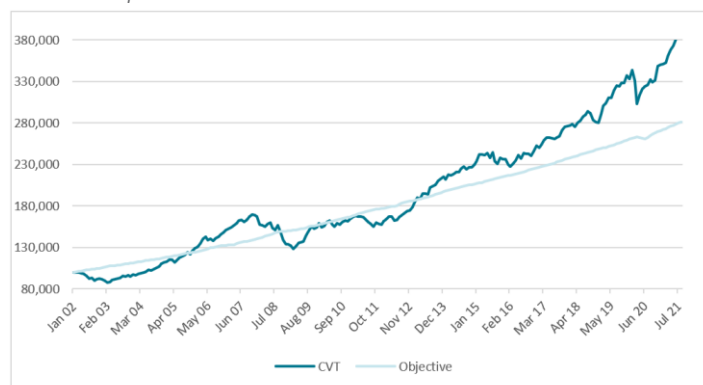
To provide a return (after fees and expenses) that exceeds CPI by 3% p.a. measured over rolling 3-year and 5-year periods, and invest in accordance with the Catholic Values Policy.

#### Fund Performance

Catholic Values Trust returned a positive return of 1.70% net of fees for the month of August. The Fund has outperformed its objective over the rolling 3-year and 5-year periods.

#### Performance Chart

\$100K invested since inception



#### Portfolio Review

##### Key Contributors

- ◆ Global Equities were the top contributor, with US equities reaching record highs helped by the US Federal Reserve indicating that progress towards scaling back monetary stimulus would likely be gradual
- ◆ In August, Financials, and Healthcare performed well as earnings returned to (or surpassed) pre-pandemic levels. Materials and Energy lagged the market. An uncertain outlook for Chinese iron ore demand impacted the Materials sector. The Energy sector also posted negative returns with the economic impact of the Delta variant hampering demand for oil and gas

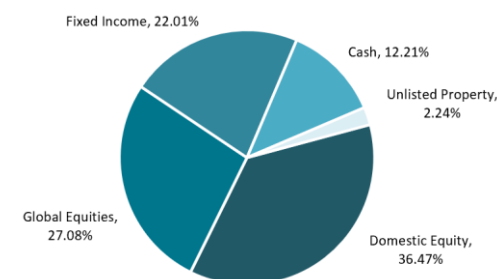
##### Key Detractors

- ◆ Property was the key detractor due to a reporting lag in distributions paid. This will be rectified in the coming month.
- ◆ Fixed Income's marginally negative return was driven by underperformance in semi-government bonds with yields rising by as much as 12bps over the month of August

#### Portfolio Statistics

Funds Under Management	\$183 million
Performance Return Since Inception net of fees ( <i>Jan 31, 2002</i> ) <sup>^</sup>	7.25% p.a.
Distribution Frequency	Half Yearly

#### Asset Allocation



#### Market Highlights

- ◆ Australian equities (S&P/ASX100) returned 2.3% over August driven by a combination of strong earnings news, several merger and acquisition announcements and healthy dividend payouts offsetting community restrictions across a number of states
- ◆ Global Equities (MSCI World ex-Australia \$A Unhedged) outperformed Australian equities, rising by 3.1% supported by a positive earnings season and ongoing economic recovery from the pandemic
- ◆ The Australian 10-year yield was 2.5 bps lower to close the month at 1.15% driven by increasing concerns over the spread of Covid-19 Delta variant
- ◆ The RBA left its cash rate at 0.10% at its August policy meeting. The bank also said it would continue to purchase government securities at a rate of AUD 5 billion per week until early September

# INCOME TRUST

## Performance

	Month	Quarter	FYTD	1 Year	3 Years	5 Years
Income Trust (Gross of Fees) <sup>^</sup>	0.06	0.78	0.36	3.24	3.50	4.63
Income Trust (Net of Fees) <sup>^</sup>	0.01	0.61	0.25	2.59	2.85	3.98
Objective*	0.08	0.26	0.17	1.04	<b>1.84</b>	2.22

<sup>^</sup>All yearly returns are annualised

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

## Investment Objective

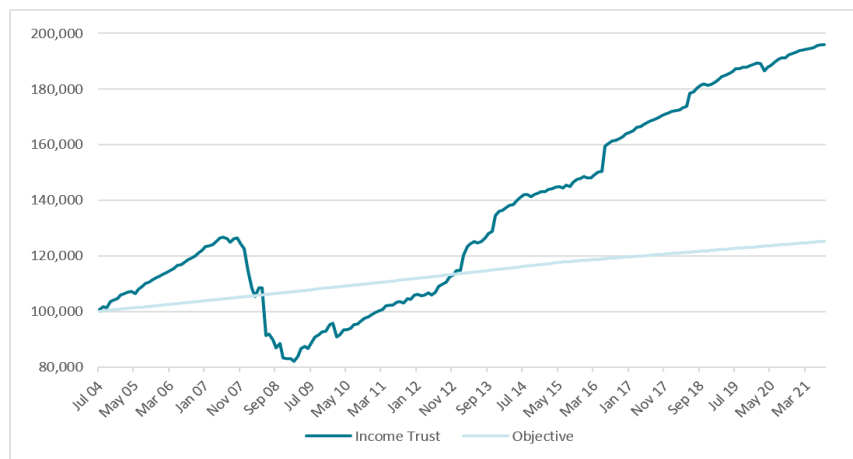
To provide investors with a quarterly income distribution and potential for capital growth by outperforming the Bloomberg AusBond Bank Bill Index by 1.0% p.a. (net of fees) over rolling 3-year periods.

## Fund Performance

The Income Trust returned a positive return of 0.01% net of fees for the month of August. The Fund has outperformed its objective over a rolling 3-year period.

## Performance Chart

\$100K invested since inception



## Portfolio Review

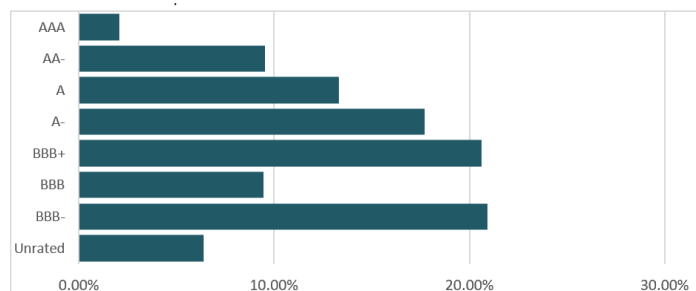
### Key Contributors

- ◆ Floating rate credit produced a modest return of 3bps over the month with income largely being offset by credit spreads widening.
- ◆ Cash produced a low positive return from term deposit and 11 am call deposits

### Key Detractors

- ◆ Hybrids were the key detractor, producing a low negative return of -0.06% over the month of August

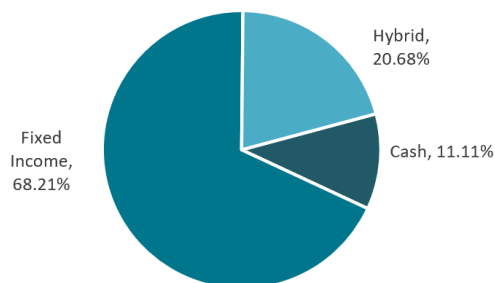
## Credit Rating Allocation



## Portfolio Statistics

Funds Under Management	\$56 million
Performance Return Since Inception net of fees (Dec 31, 2000) <sup>^</sup>	3.99% p.a.
Distribution Frequency	Quarterly
Yield to Maturity	1.41%
Average Credit Rating	A-

## Asset Allocation



## Market Highlights

- ◆ It was a mixed return environment for credit with the extension of lockdowns following the Delta variant outbreaks, and the associated impact on the domestic growth outlook.
- ◆ There was little change in senior unsecured loan spreads and a slight widening in subordinate debt spreads.
- ◆ Money market rates continued to remain very low given the low level of RBA cash rate at 0.10%. Three-month bank bills continued to edge lower and closed the month lower trading at 0.01%.
- ◆ The hybrid market weakened, with widening of trading margins from the previous month due to recent supply from banks

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