

MONTHLY UPDATE

April 2019

Performance as at 30th April 2019

	Month	Quarter	FYTD	1 Year	3 Years	5 Years
Income Trust	0.22	1.23	2.98	5.93	6.47	5.27
Catholic Values Trust	2.16	6.60	7.41	9.99	9.21	6.74

All returns are net of fees and yearly returns are annualised

Investment Market Review

Equity markets continued to make positive gains across the globe, with the Australian share market, as measured by the S&P/ASX 100 Accumulation Index, jumping 2.26% for the month, while global shares, as measured by the MSCI World ex Australia Index (unhedged), carried on from a strong start to the year and returned 4.56% for April.

Domestic Economy

Australian's unemployment rate increased to 5.2% in April, up from March's 5.0%. The increase in unemployment was largely driven by more people looking for work, with the participation rate up 0.3% to 65.8% in April, a new record high. The number of new jobs created also increased, with 28,400 new positions added for the month. This was a result of 34,700 new part-time positions created, offsetting a decline of 6,300 full-time positions.

The RBA left interest rates unchanged at an all-time low of 1.5% at its last meeting in early May, the same rate experienced for over two years now.

Australian heads to the polls this weekend to decide which party will form the next federal government and if the early polls are correct, by the time most read this, we will be governed by Bill Shorten and the Labor Party, (or will it be Prime Minister Palmer?).

U.S. Update

The U.S. economy continued to roll along, with the job market adding 263,000 new jobs in April and the unemployment rate falling to 3.6%, the lowest level since 1969. Growth occurred across most sectors with the construction industry adding 33,000 jobs, health care taking on 27,000 new positions and restaurants and bars adding 25,000 jobs. The retail sector and automakers were two sectors to lose jobs. Further strength in the economy could be seen through an increase of 3.2% in the average hourly wage compared to a year ago.

The Federal Open Market Committee (FOMC) met in late April / early May and unanimously voted to keep its target for the federal funds at between 2.25% and 2.50%. On top of the decision, the statement from the Fed Chairman Jerome Powell following the meeting signalled further rate hikes were now unlikely in the year ahead.

CCI Asset Management Update

End of Financial Year

With the end of the financial year approaching, it's an ideal time to ensure that all your client information is up to date. Have your bank details changed, do you have a new email address or is there a change of authorised signatories?

Let us know of any change by completing the Change of Details Form via the below address:

www.cciassetmanagement.org.au/forms.htm

If you have any feedback or suggestions for the Monthly Update, please email me at

david.smith@cciassetmanagement.org.au

China Update

Retail sales in China grew 7.2% p.a. in April, the weakest growth since 2003 and well below the market expectations of an 8.6% rise. Sales of oil and oil-related products and household appliances were weaker, along with a contraction in clothing and footwear. Along with weaker sales, China's industrial production only grew 5.4% year-on-year in April and below the expected 8.5% rise. Mining and manufacturing sectors were the top detractors.

Eurozone Update

The Eurozone labour market improved in March, with the number of unemployed people decreasing by 174,000 and the unemployment rate falling from 7.8% in February, to 7.7% in March. This is the lowest unemployment rate since September 2008. Greece (18.5%) and Spain (14.0%) continue to have the highest unemployment rate, while Germany (3.2%) and the Netherlands (3.3%) have the lowest unemployment rates.

The Eurozone economy picked up in the first quarter of the year, with GDP increasing 0.4%, double the 0.2% delivered in the fourth quarter of 2018. Driving this result was solid household spending which increased off the back of low unemployment and rising wages and an improved performance by the manufacturing sector.

Income Trust

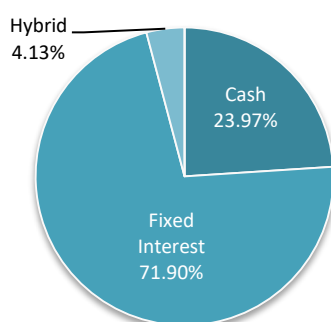
	Month	Quarter	FYTD	1 Year	3 Years	5 Years
Income Trust (Gross of Fees)#	0.27	1.39	3.52	6.58	7.12	5.93
Income Trust (Net of Fees)#	0.22	1.23	2.98	5.93	6.47	5.27
Benchmark	0.16	0.50	1.49	2.01	1.88	2.11
Objective: AusBond Bank Bill + 1.0%p.a. rolling 3yrs					2.88	

#All yearly returns are annualised

Monthly Performance Commentary

The Income Trust continued to exceed its objective and delivered a positive return for April, with Fixed Interest the top contributing asset class, followed by Hybrid securities. CBA Floating Rate Note was the top contributing security for the month, while Qube Subordinated Note was the top detractor.

Asset Allocation

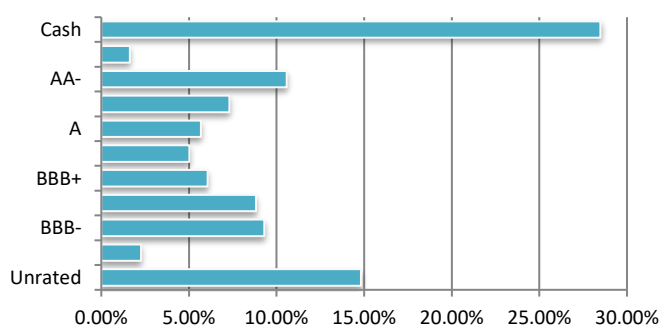


Top Contributors	Asset Class	Return %	Portfolio Contribution %
CBA FRN	Fixed Interest	0.353	0.024
AMP Bank FRN	Fixed Interest	0.392	0.021
Westpac Banking Corp FRN	Fixed Interest	0.362	0.017
NAB FRN	Fixed Interest	0.415	0.016
CBA FRN	Fixed Interest	0.519	0.015

Top Detractors	Asset Class	Return %	Portfolio Contribution %
Qube Subordinated Note	Fixed Interest	-1.531	-0.050
CUA FRN	Fixed Interest	-0.019	-0.003
Bank of Queensland FRN	Fixed Interest	-0.024	-0.002
Bendigo Adelaide Bank FRN	Fixed Interest	-0.002	-0.001
NAB Subordinated Notes 2	Hybrid	-0.194	-0.001

Portfolio Credit Rating Allocation

Below is the credit composition of the Income Trust Portfolio.



Unrated securities largely consist of unrated retail issues including Suncorp Group Ltd and Westpac Hybrid securities. Together these unrated securities represent 1.71% of the Income Trust Portfolio as at 30 April 2019.

These securities have not been issued a credit rating by any rating agency in accordance with ASIC regulation regarding credit ratings on retail issues.

Credit ratings as classified by Standard & Poor's

Fixed Interest

Fixed Interest outperformed the index for the month of April and was the main contributor to the overall performance of the portfolio in absolute terms. At the security level CBA Floating Rate Note was the top contributor, followed by AMP Bank FRN, Westpac Floating Rate Note and NAB Floating Rate Note. On the down side, Qube Subordinated Note, CUA Floating Rate Note, Bank of Queensland and Bendigo & Adelaide Bank were the top detractors for the month.

Hybrid Securities

Hybrid Securities also delivered a positive return, however underperformed the index for the month of April. While there was little movement in the returns, CBA Perls IX Capital Notes was the top contributor, followed by CBA Perls VII Capital Notes and Westpac Capital Notes 3. NAB Subordinated Notes 2 and NAB Capital Notes were the only two detractors for the month, although they were basically flat.

Hybrid Portfolio

Security	Issuer Margin
ANZ Capital Notes 1	BBSW 90 Day + 3.40%
CBA Perls VII Capital Notes	BBSW 90 Day + 2.80%
CBA Perls IX Capital Notes	BBSW 90 Day + 3.90%
NAB Capital Notes	BBSW 90 Day + 3.50%
NAB Subordinated Notes 2	BBSW 90 Day + 2.20%
Suncorp Group Capital Notes	BBSW 90 Day + 4.10%
Westpac Capital Notes 3	BBSW 90 Day + 4.00%

Franking Credit Income

#FYTD: 0.03%

Fund Distribution History (cents per unit)

31 March 2018:	0.51
30 June 2018:	2.34
30 September 2018:	0.54
31 December 2018:	0.55
31 March 2019:	0.49

Catholic Values Trust

	Month	Quarter	FYTD	1 Year	3 Years	5 Years
Catholic Values Trust (Gross of Fees) [#]	2.22	6.78	7.99	10.69	9.91	7.44
Catholic Values Trust (Net of Fees) [#]	2.16	6.60	7.41	9.99	9.21	6.74
Benchmark	2.10	6.87	5.56	9.76	9.21	7.89
Objective: CPI + 3%p.a. rolling 3 & 5 yrs					4.98	4.71

[#]All yearly returns are annualised

Monthly Performance Commentary

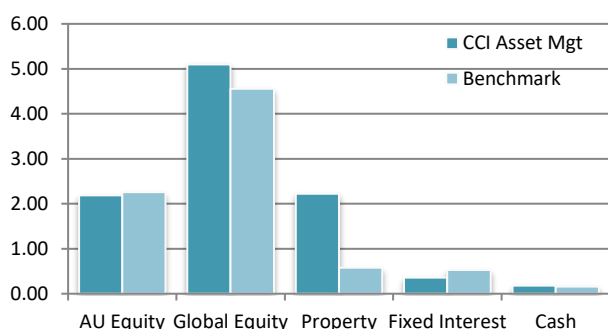
The strong start to the calendar year continued for the Catholic Values Trust, as it delivered 2.16% (net of fees) for the month of April, resulting in 7.41% (net of fees) for the financial year to date, as it continued to exceed its objective of outperforming CPI by 3% p.a. over rolling 3 and 5 year periods.

Global Equities was the best performing asset class, with strong gains within Financials and Communications. Property delivered a solid return and comfortably outperformed the benchmark, while Australian Equities made a positive contribution, although marginally underperformed the benchmark.

Asset Allocation

	CCI Asset Management	Benchmark Allocation
AU Equity	32.94%	35.00%
Global Equity	27.38%	25.00%
Property	3.10%	5.00%
Fixed Interest	17.68%	25.00%
Cash	18.90%	10.00%

Asset Class Return

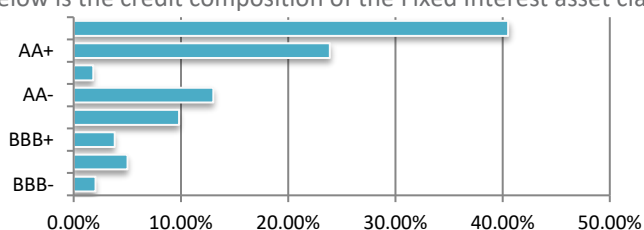


Fixed Interest

The Catholic Values Trust is underweight in Fixed Interest, and continues to maintain the majority of its exposure to semi-government securities. Fixed Interest marginally underperformed the benchmark for the month.

Fixed Interest Credit Rating Allocation

Below is the credit composition of the Fixed Interest asset class.



Credit ratings as classified by Standard & Poor's.

Australian Equities

Australian Equities had another solid month, with Financials and Consumer Staples leading the way, while Materials and Utilities slightly detracted from performance. At the security level, the banks reversed last month's performance with CBA, Westpac and ANZ Bank the top contributors, along with Woolworths and Treasury Wine Estates. In contrast, the miners took a breath after recent strong returns, with BHP, South32 Ltd and Rio Tinto amongst the top detractors in April, along with Scentre Group and GPT group.

Franking Credit Income

#FYTD: 0.95%

Top Contributors	Return %	AU Contribution %
CBA	5.490	0.158
Westpac Banking Corp	6.129	0.125
ANZ Bank	4.490	0.078
Woolworths Limited	4.765	0.044
Treasury Wine Estates	15.180	0.039

Top Detractors	Return %	AU Contribution %
BHP	-2.832	-0.071
South32 Ltd	-10.461	-0.047
Scentre Group	-7.061	-0.036
GPT Group	-7.741	-0.025
Rio Tinto	-2.588	-0.020

Global Equities

Manager: Perpetual Investments

The fund rose over 5% for the month, and outperformed the benchmark. Since inception (December 2017), the fund has returned 13.08% and outperformed the benchmark by 2.28%. Financials and Communications were the top contributing sectors for April, while Energy was the top detractor for the month. At the security level, entertainment systems developer Nintendo rallied 20.8% on reports that they intend to team up with Chinese tech company Tencent to sell their flagship Switch console into the Chinese market. Swiss private banking group Julius Baer added 24.4% after announcing that a joint venture with The Siam Commercial Bank received approval to operate in Thailand. Top detractor for the month was US oil and gas production company Occidental Petroleum Corporation, after they made a takeover bid for Anadarko Petroleum, with investors worried about a bidding war with Chevron.

Fund Distribution History (cents per unit)

31 December 2017:	1.42
30 June 2018:	9.01
31 December 2018:	2.93

For any queries in relation to this CCI Asset Management Monthly Update please contact

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