

MONTHLY UPDATE

March 2023

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

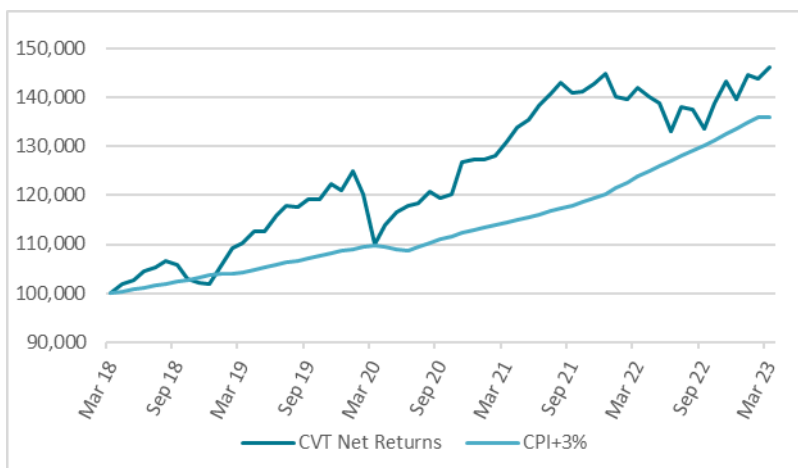
	Month	Quarter	FYTD	1 Year	3 Years	5 Years
Catholic Values Trust (Gross of Fees) [^]	1.67	4.84	10.30	3.51	10.58	8.57
Catholic Values Trust (Net of Fees) [^]	1.62	4.66	9.77	2.81	9.88	7.87
Objective [^]	0.87	2.61	7.91	10.54	7.55	6.42

[^] 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 1.62% net of fees for the month of March. The Fund has underperformed its objective over the rolling 3-year period but outperformed its rolling 5-year period.

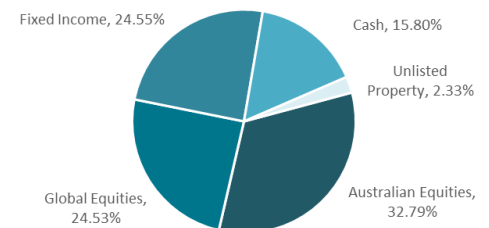
Key Contributors

- ◆ **Global equities** returned 4.40% in March. The banking crisis led to a volatile month, but markets were calmed by a combination of Fed assistance and the takeover of Credit Suisse by UBS. Lower bond yields supported valuations in the technology sector. The USD strengthened against the AUD, adding to the positive unhedged return for the month.
- ◆ **Australian Equities** returned 0.11% over March. Financials and real estate sectors were laggards due to the fallout from the banking crisis. However, the rate sensitive tech sector had a strong month with falling bond yields supporting valuations. The materials sector also had a strong month, as the risk-off sentiment supported gold prices.
- ◆ **Fixed Income** returned 1.86% in March driven by lower bond yields, as markets repriced for lower cash rate expectations.
- ◆ **Unlisted Property** returned 0.41% over March due to valuations remaining stable from low transaction activity.

Portfolio Statistics

Funds Under Management	193 Million
Performance Return Since Inception net of fees (Jan 31, 2002) [^]	6.80%
Distribution Frequency	Half Yearly

Asset Allocation



Market Highlights

- ◆ **Australian equities** (S&P/ASX100) finished the month 0.2% higher. The banking crisis weighed on sentiment early in the month. A cooler inflation reading of 6.8% yoy in February and weaker retail sales lead to a rebound, on hopes that the RBA would pause their rate hike cycle.
- ◆ **Global equities** (MSCI World ex-Australia \$A Unhedged) finished the month 3.88% higher. Stress in the banking sector, which included the collapse of Silicon Valley Bank in the US and UBS's takeover of Credit Suisse, weighed on sentiment early in the month. Markets steadied as the banking fears eased and comments from the Fed indicated they were nearing the end of the rate hike cycle.
- ◆ **Fixed Income**, as measured by the Bloomberg AusBond Composite 3-5 Yr Index finished the month 2.51% higher. Bond yields had large falls during the month with the 10-year Australian government bond falling 56bps and 3-year falling 66bps. The moves reflect repricing for lower rate expectations following the banking crisis.

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

Performance

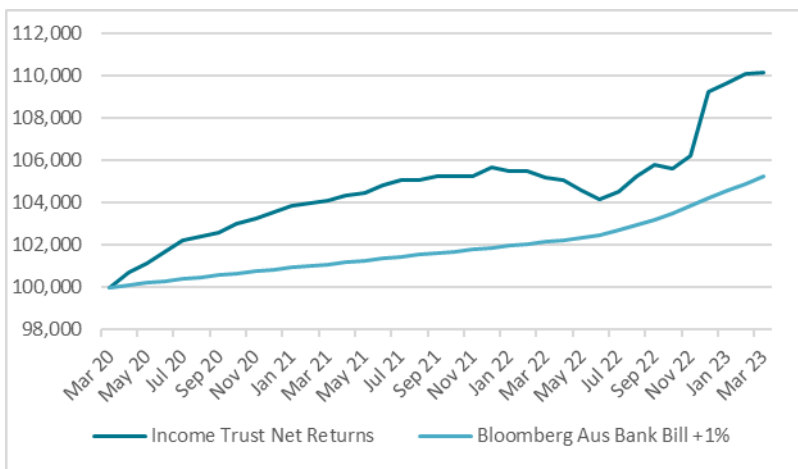
	Month	Quarter	FYTD	1 Year	3 Years
Income Trust (Gross of Fees) [^]	0.10	1.01	6.26	5.40	3.94
Income Trust (Net of Fees) [^]	0.05	0.85	5.77	4.75	3.29
Objective* [^]	0.37	1.03	2.72	3.05	1.73

[^] 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% 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 0.05% net of fees for the month of March. The Fund has outperformed its objective over a rolling 3-year period.

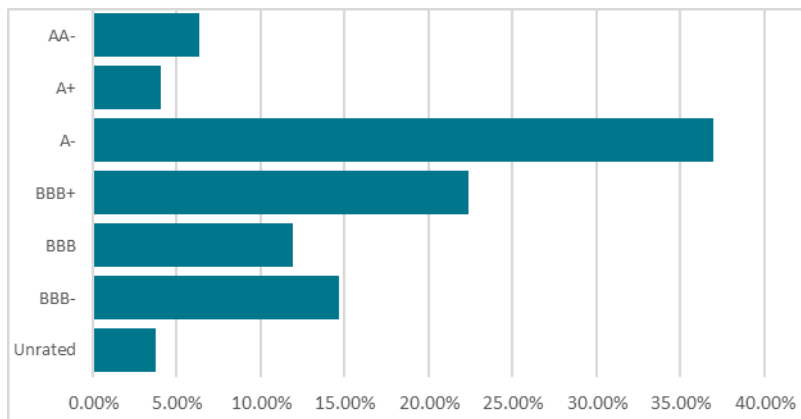
Key Contributors

- ◆ Fixed Interest returned 0.18%, largely from accrued interests.

Key Detractors

- ◆ Hybrids returned -0.62%. NABPH was the biggest detractor.

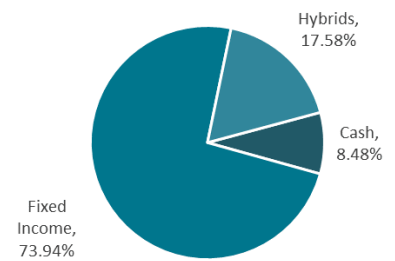
Credit Rating Allocation



Portfolio Statistics

Funds Under Management	43 Million
Performance Return Since Inception net of fees (July 31, 2004) [^]	3.92%
Distribution Frequency	Quarterly
Yield to Maturity	4.93%
Average Credit Rating	A-

Asset Allocation



Market Highlights

- ◆ **Fixed Income:** Floating Rate credit finished the month 0.26% higher. Australian floating rate note spreads had a volatile month following fears of contagion in the banking sector, finishing the month 4bps wider.
- ◆ **Cash:** The Reserve Bank of Australia (RBA) raised the cash rate by 25bps in March to 3.6%. The three-month bank bill yield rose 15bps, finishing the month at 3.7%.
- ◆ **Hybrids** fell in March as the average major bank hybrid margin rose 38bps, following risk off sentiment in the banking sector.

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How to Contact Us

Telephone 1300 655 220

Facsimile 03 9934 3464

Mail CCI Asset Management
GPO Box 180 Melbourne 3001

Website www.cciassetmanagement.org.au

David Smith
National Business Development Manager

Email info@cciassetmanagement.org.au

Telephone 03 9934 3077

Mobile 0408 663 288