

MONTHLY UPDATE

July 2021



CATHOLIC VALUES TRUST

Performance

	Month	Quarter	FYTD	1 Year	3 Years	5 Years
Catholic Values Trust (<i>Gross of Fees</i>)^	1.75	5.37	1.75	19.55	10.88	10.42
Catholic Values Trust (<i>Net of Fees</i>)^	1.70	5.20	1.70	18.85	10.18	9.72
Objective*	0.50	1.51	0.50	6.57	4.72	4.81

^All yearly returns are annualised

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

Investment Objective

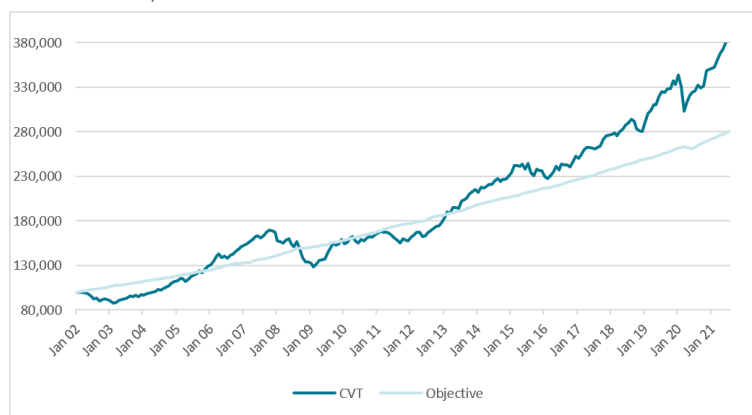
To provide a return (after fees and expenses) that exceeds CPI by 3% p.a. measured over rolling 3-year and 5-year periods, and invest in accordance with the Catholic Values Policy.

Fund Performance

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

Performance Chart

\$100K invested since inception



Portfolio Review

Key Contributors

- ◆ Global Equities were the top contributor, largely driven by a fall in AUD and strong Q2 earnings in the US and Europe.
- ◆ Materials were the best performing sector within Australian equities over July supported by gains in base metal prices. By contrast, information Technology and Energy were the key laggards.
- ◆ Fixed Income's return of 0.9% was driven by outperformance in government bonds with yields falling by as much as 35bps over the month of July.

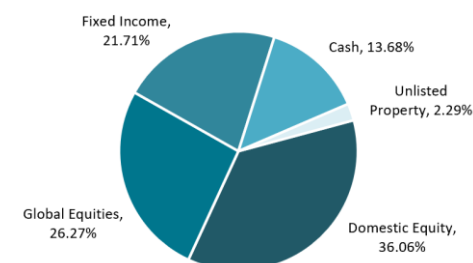
Key Detractors

- ◆ Cash was the key detractor producing almost nil return over the month due to the low official cash rate of 0.1%.

Portfolio Statistics

Funds Under Management	\$183 million
Performance Return Since Inception net of fees (<i>Jan 31, 2002</i>)^	7.19% p.a.
Distribution Frequency	Half Yearly

Asset Allocation



Market Highlights

- ◆ Australian equities (S&P/ASX100) returned 1.2% over July largely ignoring rising cases of the Delta variant and increasing community restrictions.
- ◆ We saw an increase in corporate activity underpinned by low interest rates and strong balance sheets. The banking and resources sectors are poised to return excess cash to shareholders. Merger and acquisition activity remain robust among utilities and industrial sectors.
- ◆ Global Equities (MSCI World ex-Australia \$A Unhedged) outperformed Australian equities, rising by 4.0% driven by a fall in AUD by 2% and strong earnings season.
- ◆ Government bond yields declined to a 6-month low, with the 10 Year bond yield falling below 1.2%. This was due to concerns over the increasing spread of Covid-19 Delta variant and some signs of global growth moderating driving investors to shift toward safer investments.

INCOME TRUST

Performance

	Month	Quarter	FYTD	1 Year	3 Years	5 Years
Income Trust (Gross of Fees) [^]	0.29	0.86	0.29	3.42	3.72	4.73
Income Trust (Net of Fees) [^]	0.24	0.70	0.24	2.77	3.07	4.08
Objective*	0.09	0.26	0.09	1.05	1.89	2.26

[^]All yearly returns are annualised

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

Investment Objective

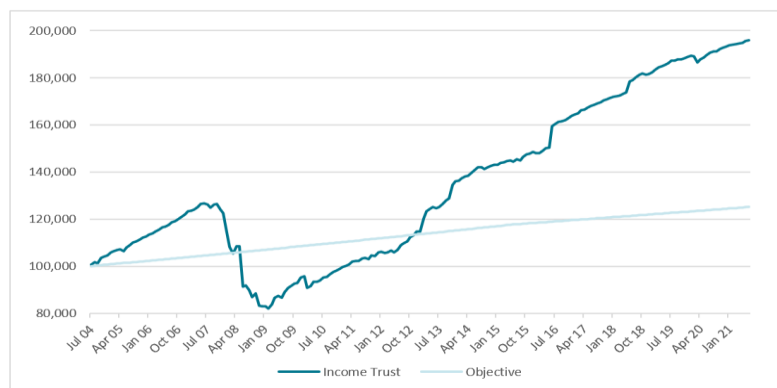
To provide investors with a quarterly income distribution and potential for capital growth by outperforming the Bloomberg AusBond Bank Bill Index by 1.0% p.a. (net of fees) over rolling 3-year periods.

Fund Performance

The Income Trust returned a positive return of 0.24% net of fees for the month of July. The Fund has outperformed its objective over a rolling 3-year period.

Performance Chart

\$100K invested since inception



Portfolio Review

Key Contributors

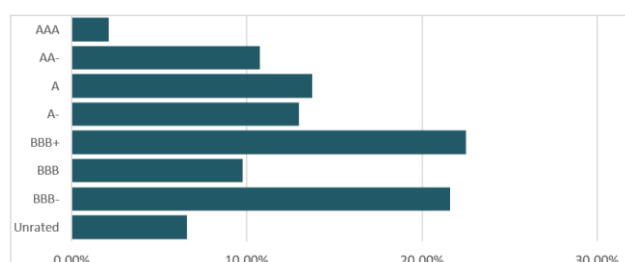
- ◆ Floating rate credit was a positive contributor over the month of July returning 0.15%. This was driven by demand for securities that provided a return in excess to the low cash rate and the absence of new issuances.
- ◆ An increased exposure to hybrids including the new ANZPI contributed around 9bps to the overall Trust return.

Key Detractors

- ◆ Cash was the key detractor producing almost nil return over the month due to the low official cash rate of 0.1%.

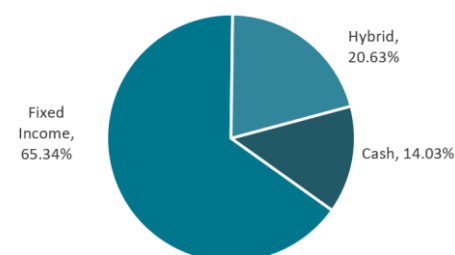
Credit Rating Allocation

Portfolio Statistics



Funds Under Management	\$56 million
Performance Return Since Inception net of fees (Dec 31, 2000) [^]	4.01% p.a.
Distribution Frequency	Quarterly
Yield to Maturity	1.32%
Average Credit Rating	A-

Asset Allocation



Market Highlights

- ◆ A more subdued growth outlook following the Delta' variant outbreaks and domestic lockdowns did not appear to weigh on investor sentiment in credit markets.
- ◆ Exposure to Floating Rate Credit contributed to performance as spreads tightened by 3 bps.
- ◆ Money market rates continued to remain very low with the RBA's decision to maintain the cash rate target of 0.10%. Three-month bank bills closed the month lower trading at 0.02%.
- ◆ After a strong return in June, the hybrids market was subdued in July with spreads ending the month around 12bps lower from the previous month.

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