

# MONTHLY UPDATE

## February 2024

### CATHOLIC VALUES TRUST

#### Investment Objective

To provide a return (after fees and expenses) that exceeds CPI by 3% p.a. measured over a rolling 7-year period, and invest in accordance with the Catholic Values Policy.

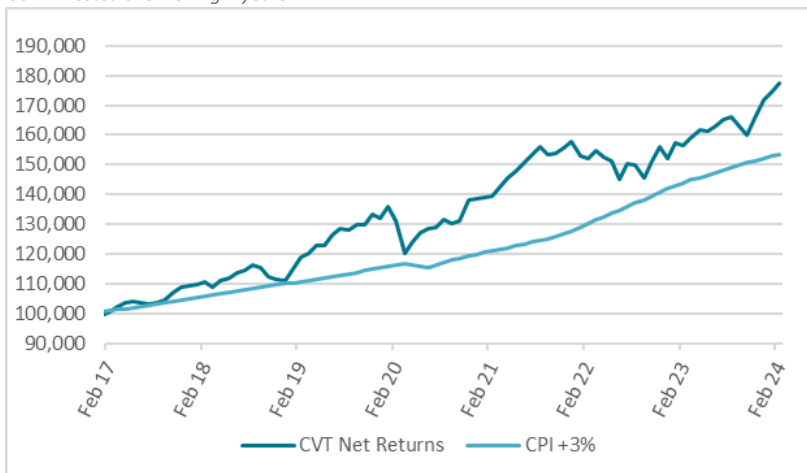
#### Performance

	Month	Quarter	FYTD	1 Year	3 Years	5 Years	7 Years
Catholic Values Trust (Gross of Fees) <sup>^</sup>	1.91	7.36	9.43	14.04	9.06	9.04	9.19
Catholic Values Trust (Net of Fees) <sup>^</sup>	1.86	7.19	8.96	13.34	8.36	8.34	8.49
Objective <sup>^</sup>	0.44	1.33	4.19	6.51	8.11	6.67	6.10

<sup>^</sup> Month, quarter and FYTD are holding period returns. 1 year, 3 year, 5-year, 7 year & since inception returns are annualised.

#### Rolling 7-year Fund Performance vs Objective

\$100K invested over rolling 7 years



Catholic Values Trust returned 1.86% net of fees for the month of February. The Fund has outperformed its objective over a rolling 7-year period.

#### Key Contributors

- ◆ **Australian Equities** returned 1.20% in February. Local markets followed global momentum higher. The technology sector was a standout, supported by continued optimism for artificial intelligence globally. The consumer discretionary sector had strong returns after solid earnings results from retailers.
- ◆ **Global equities** returned 6.04% in February. Moves in global markets were largely driven by strong US corporate earnings results, particularly in the technology sector. The AUD depreciated 1.08% against the USD over the month, adding to the unhedged return.

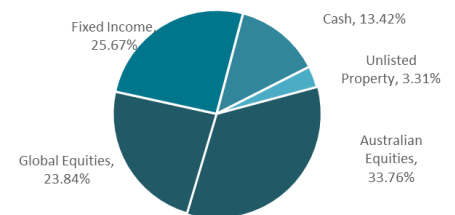
#### Key Detractors

- ◆ **Fixed Income** returned -0.10% in February. Rising bond yields resulted in negative market value movements in bonds.
- ◆ **Property** returned -0.68% in February, largely due to negative net valuation movements during the prior quarter.

#### Portfolio Statistics

Funds Under Management	129 Million
Performance Return Since Inception net of fees (Jan 31, 2002) <sup>^</sup>	7.03%
Distribution Frequency	Half Yearly

#### Asset Allocation



#### Market Highlights

◆ **Australian equities** (S&P/ASX100) finished the month 1.10% higher. Headline inflation rose less than expected at 3.4% on an annual basis in January. This month's data predominantly captured moves in goods prices and saw increasing housing costs offset by falls in pantry staples. Retail sales rose 1.1% in the month of January, rebounded after holiday spending volatility. However total retail turnover has been flat over the past few months. The labour market continues to soften, with the unemployment rate ticking up to 4.1% in January and only 500 total jobs added to the economy.

◆ **Global equities** (MSCI World ex-Australia \$A Unhedged) finished the month 5.92% higher. The Fed left rates on hold in February, and reiterated they were in no rush to cut rates. US Headline CPI rose 3.1% on an annual basis in January, hotter than expected, rising shelter costs continue to be the main driver of inflation. More jobs were added to the economy than expected in January and the unemployment rate held steady at 3.7%.

◆ **Fixed Income**, as measured by the Bloomberg AusBond Composite 3-5 Yr Index finished the month 0.20% lower. The yield on the Australian Government 3-year bond rose 13bps, and 10-year rose 12bps. Domestic yield moves followed overseas markets pushing back timing for the first expected Fed rate cut.

# 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.

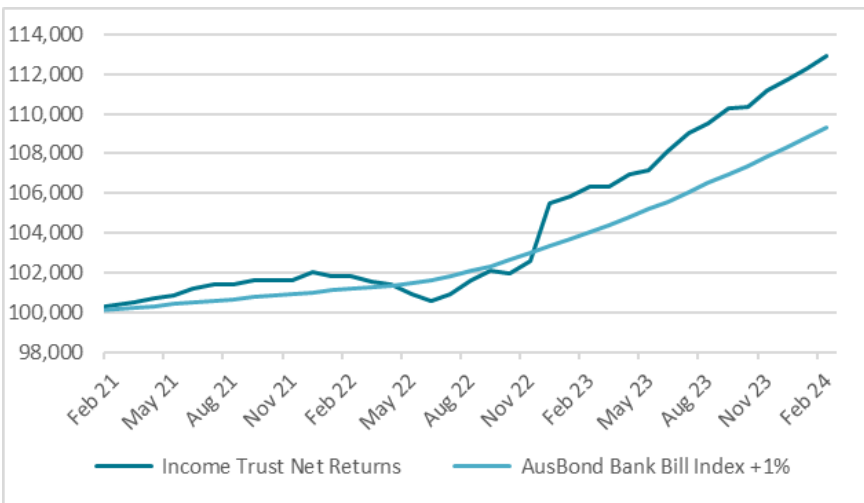
## Performance

	Month	Quarter	FYTD	1 Year	3 Years
Income Trust (Gross of Fees) <sup>^</sup>	0.63	1.73	4.87	6.89	4.66
Income Trust (Net of Fees) <sup>^</sup>	0.58	1.57	4.43	6.24	4.01
Objective <sup>^</sup>	0.43	1.34	3.55	5.04	<b>2.94</b>

<sup>^</sup> Month, quarter and FYTD are holding period returns. 1 year & 3 year returns are annualised.

## Rolling 3-Year Fund Performance vs Objective

\$100K invested over rolling 3 years

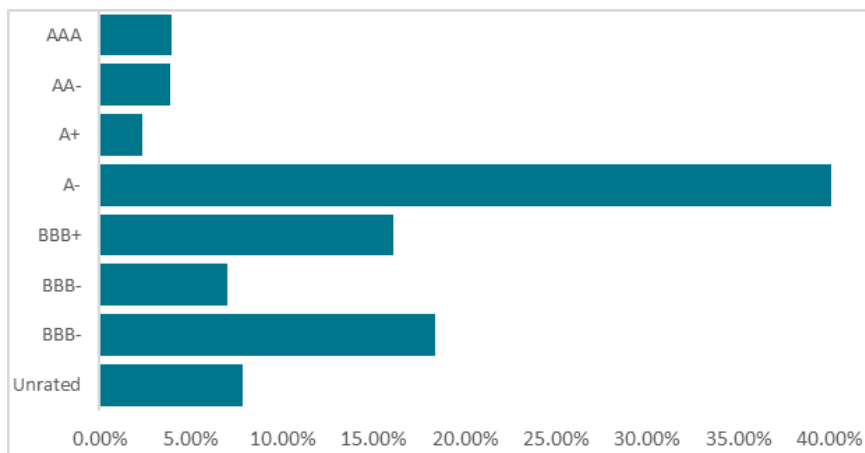


The Income Trust returned 0.58% net of fees for the month of February. The Fund has outperformed its objective over a rolling 3-year period.

## Key Contributors

- ◆ **Fixed Interest** returned 0.62% largely from accrued interests.
- ◆ **Hybrids** returned 0.52% from a narrowing of hybrid spreads.

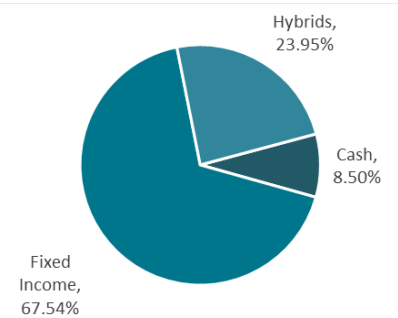
## Credit Rating Allocation



## Portfolio Statistics

Funds Under Management	28 Million
Performance Return Since Inception net of fees (July 31, 2004) <sup>^</sup>	4.05%
Distribution Frequency	Quarterly
Yield to Maturity	5.57%
Average Credit Rating	BBB+

## Asset Allocation



## Market Highlights

◆ **Fixed Income:** Floating Rate credit finished the month 0.53% higher. Australian floating rate note spreads narrowed by 5bps over the month. February saw strong new issuance supply from financials as well as corporate issuers post, which continued to be met with strong investor demand.

◆ **Cash:** The RBA kept the cash rate on hold at 4.35% in February. In the latest statement of monetary policy, the RBA updated its forecast for inflation to return to the midpoint target of 2.5% in 2025. They also lowered their near-term growth forecast, reflecting a weaker outlook for consumer spending and increased their unemployment rate forecast. The three-month bank bill yield fell 1bps, finishing the month at 4.33%.

◆ **Hybrids (Major Banks)** gained 0.51% overall during February. Average major bank hybrid margins narrowed by 8bps. There were new Hybrid issues from ANZ and BEN during the month.

Disclaimer: CCI Asset Management does not guarantee the repayment of capital or the performance of any product or any particular rate of return referred to in this document. The information contained in this document is current as at the date of preparation but may be subject to change. While every care has been taken in the preparation of this document, CCI Asset Management makes no representation or warranty as to the accuracy or completeness of any statement in it including, without limitation, any forecasts. The information contained in this document is intended as general commentary, view and perspective by CCIAM, and should not be regarded as financial, legal or other advice. This document has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. An investor should, before making any investment decisions, consider the appropriateness of the information in this document, and seek professional advice, having regard to the investor's objectives, financial situation and needs. Should you require specific advice on the topics or areas discussed please contact CCIAM directly or an appropriate advisor. This document September contain forward-looking statements. Past performance is not a reliable indicator of future performance. The contents of this document are confidential and must not be disclosed to any third party without the consent of CCIAM. This document must not be copied, reproduced, or distributed without the consent of CCIAM.

## 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](http://www.cciassetmanagement.org.au)

William Manuel  
Head of Asset Management

Email [info@cciassetmanagement.org.au](mailto:info@cciassetmanagement.org.au)

Telephone 03 9934 3073

Mobile 0409 275 751