

MONTHLY UPDATE

September 2023

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.

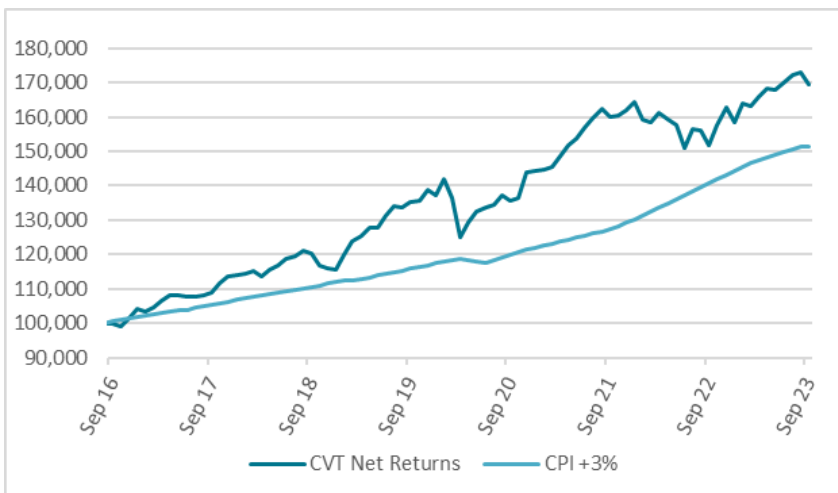
Performance

	Month	Quarter	FYTD	1 Year	3 Years	5 Years	7 Years
Catholic Values Trust (Gross of Fees) [^]	-1.96	0.09	0.09	12.52	8.46	7.82	8.55
Catholic Values Trust (Net of Fees) [^]	-2.02	-0.08	-0.08	11.82	7.76	7.12	7.85
Objective [^]	0.52	1.57	1.57	7.99	8.08	6.50	6.03

[^] 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 -2.02% net of fees for the month of September. The Fund has outperformed its objective over a rolling 7-year period.

Key Contributors

- ◆ **Property** returned 0.35% in September, largely due to valuations remaining stable from low transaction activity.

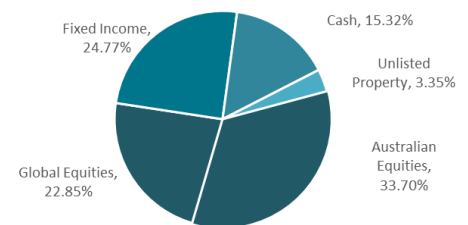
Key Detractors

- ◆ **Global equities** returned -4.29% in September. Moves in global markets were largely driven by a sharp increase in bond yields. Higher oil prices also created fears that inflation would take longer to return to central bank target bands. The AUD depreciated against the USD over the month.
- ◆ **Australian Equities** returned -2.63% in September. Local sentiment was driven by global market moves. The energy sector had a positive return for the month on the back of higher oil prices. All other sectors had negative returns, with the interest rate sensitive sectors of Real Estate and Information Technology being the biggest laggards.
- ◆ **Fixed Income** returned -0.78% in September from a combination of capital returns due to higher yields and accrued interests.

Portfolio Statistics

Funds Under Management	130 Million
Performance Return Since Inception net of fees (Jan 31, 2002) [^]	6.75%
Distribution Frequency	Half Yearly

Asset Allocation



Market Highlights

- ◆ **Australian equities** (S&P/ASX100) finished the month 2.75% lower. The RBA kept the cash rate on hold at 4.10%. GDP grew 0.4% in the June quarter, however after adjusting for population growth, the economy is in a technical per-capita recession. The monthly inflation report showed headline CPI rose 5.2% yoy in August, largely driven by a rise in energy costs. The unemployment held steady at 3.7% and the participation rate reached a record high of 67%.
- ◆ **Global equities** (MSCI World ex-Australia \$A Unhedged) finished the month 4.01% lower. Markets contended with higher bond yields, after the latest Federal Reserve dot plot revealed policymakers saw one more rate hike this year and fewer cuts next year as appropriate. US inflation accelerated to 3.7% yoy in August, driven by higher energy prices. The jobs market remains tight but shows signs of softening with the unemployment rate ticking up to 3.8% in September.
- ◆ **Fixed Income**, as measured by the Bloomberg AusBond Composite 3-5 Yr Index finished the month 0.83% lower. Yields moved higher with the 10-year Australian government bond rising 46bps and 3-year rising 34bps, as markets priced in expectations for global rates to remain higher for longer.

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.

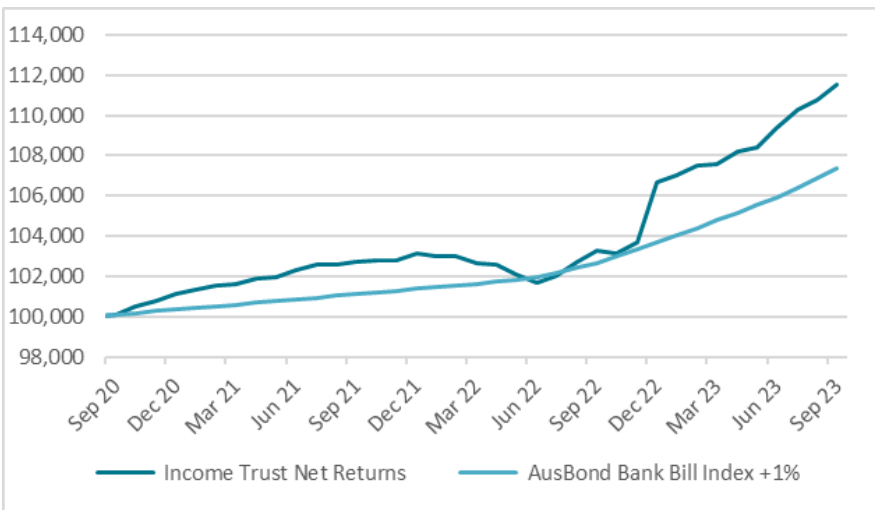
Performance

	Month	Quarter	FYTD	1 Year	3 Years
Income Trust (Gross of Fees) [^]	0.76	2.14	2.14	8.66	4.31
Income Trust (Net of Fees) [^]	0.71	1.97	1.97	8.01	3.66
Objective [^]	0.42	1.33	1.33	4.51	2.35

[^] 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

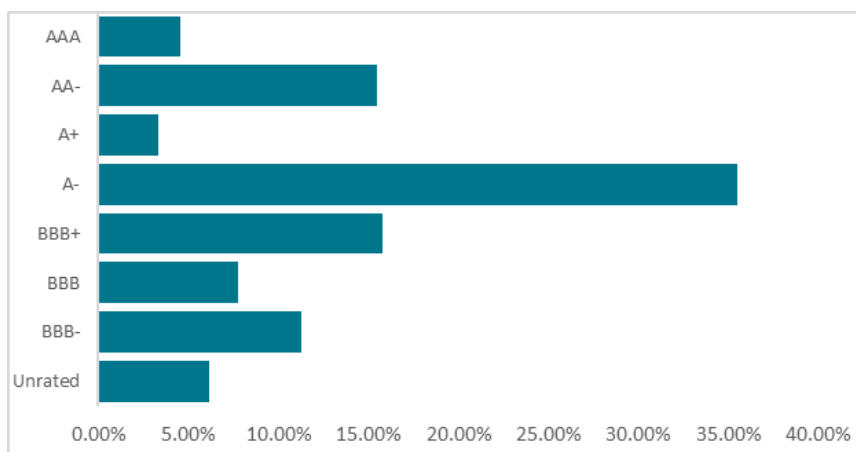


The Income Trust returned 0.71% net of fees for the month of September. The Fund has outperformed its objective over a rolling 3-year period.

Key Contributors

- ◆ **Fixed Interest** returned 0.42%, largely from accrued interests.
- ◆ **Hybrids** returned 1.91% from narrowing hybrid spreads and accrued interests. NABPF was the largest contributor.

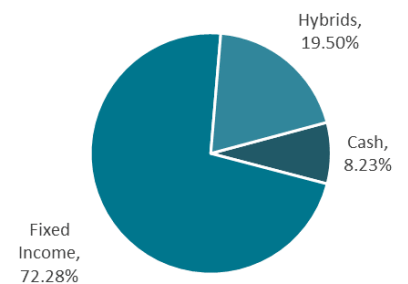
Credit Rating Allocation



Portfolio Statistics

Funds Under Management	36 Million
Performance Return Since Inception net of fees (July 31, 2004) [^]	4.01%
Distribution Frequency	Quarterly
Yield to Maturity	5.63%
Average Credit Rating	A-

Asset Allocation



Market Highlights

- ◆ **Fixed Income:** Floating Rate credit finished the month 0.37% higher. Australian floating rate note spreads widened by 3bps over the month. There were new issues from WBC and Suncorp that met with strong demand.
- ◆ **Cash:** The Reserve Bank of Australia (RBA) kept the cash rate on hold for third month at 4.10% in September. The RBA flagged concerns over persistent services inflation, however decided to allow more time to see the impacts of higher rates to flow through the economy. The bank reiterated that some further tightening may still be required and will continue to assess incoming economic data. The three-month bank bill yield rose 1bps, finishing the month at 4.14%
- ◆ **Hybrids** rose in September as the average major bank hybrid margin narrowed by 83bps, largely due to retail trading activity.

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