# MONTHLY UPDATE
June 2021

## CATHOLIC VALUES TRUST

### Performance

| | Month | Quarter | FYTD | 1 Year | 3 Years | 5 Years |
|---|---|---|---|---|---|---|
| Catholic Values Trust *(Gross of Fees)*^ | 2.21 | 5.86 | 18.19 | 18.19 | 10.52 | 10.68 |
| Catholic Values Trust *(Net of Fees)*^ | 2.15 | 5.68 | 17.49 | 17.49 | 9.82 | 9.98 |
| Objective* | 0.45 | 1.34 | 6.67 | 6.67 | **4.63** | **4.78** |

*^All yearly returns are annualised*
**Objective is CPI + 3% p.a. rolling 3 & 5 years*

### Investment Objective

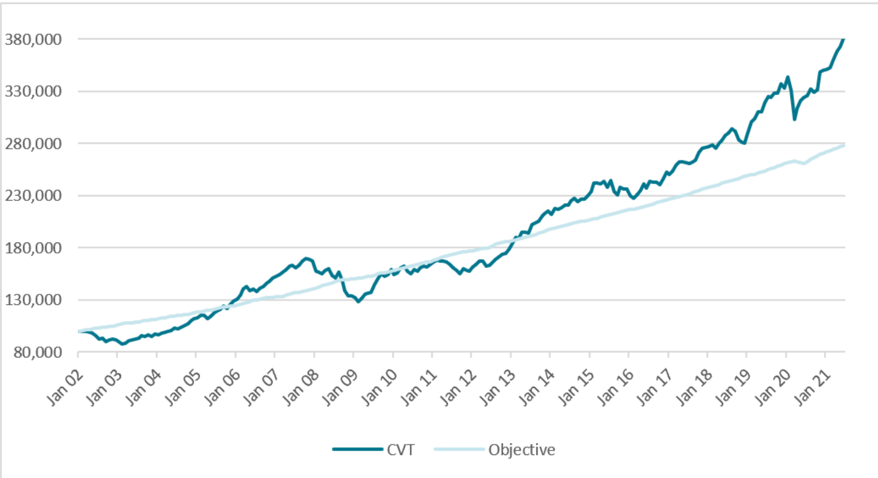
To provide a return (after fees and expenses) that exceeds CPI by 3% p.a. measured over rolling 3-year and 5-year periods, and invest in accordance with the Catholic Values Policy.

### Fund Performance

Catholic Values Trust returned a positive return of 2.15% net of fees for the month of June. The Fund has outperformed its objective over rolling 3-year and 5-year periods.

### Performance Chart

*$100K invested since inception*




***Key Contributors***

- Global Equities was the top contributor. The US market in particular, was fueled by technology stocks on the back of a robust earnings growth expectations.
- Australian equites was supported by gains in Information Technology and Consumer Services. By contrast, Financials was the key laggard.
- For property, uplift in asset valuations over Q1 2021 is reflected in June.

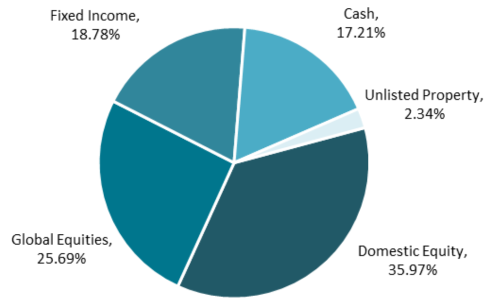
***Key Detractors***

- Fixed income was the key detractor largely driven by underperformance in semi-government bonds with yields rising by as much as 15bps over the month of June.
- Cash produced almost nil return over the month due to the low official cash rate of 0.1%.

### Portfolio Statistics

| | |
|---|---|
| Funds Under Management | $178 million |
| Performance Return Since Inception net of fees *(Jan 31, 2002)^* | 7.13% p.a. |
| Distribution Frequency | Half Yearly |

### Asset Allocation




### Market Highlights

- Australian equities (S&P/ASX100) performed strongly over June, returning 2.14% despite the recent coronavirus outbreak and new lockdowns.
- Global Equities (MSCI World ex-Australia $A Unhedged) outperformed Australian equities, rising 4.7%. The rebound in the US dollar was the key contributor to the rally in the global equities market.
- The past month also saw inflation fears abating, further supporting the market rally. Investors also looked past the US Federal Reserve's pivot on monetary policy indicating it will bring forward the time frame on when it will next raise interest rates.
- The Term Funding Facility – a low-cost source of funding for domestic deposit taking institutions expired at the end of June.

# INCOME TRUST

## Performance

| | Month | Quarter | FYTD | 1 Year | 3 Years | 5 Years |
|---|---|---|---|---|---|---|
| Income Trust (Gross of Fees^ | 0.42 | 0.83 | 3.75 | 3.75 | 3.74 | 4.79 |
| Income Trust (Net of Fees)^ | 0.37 | 0.67 | 3.10 | 3.10 | 3.09 | 4.14 |
| Objective* | 0.09 | 0.26 | 1.05 | 1.05 | 1.95 | 2.29 |

*^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.

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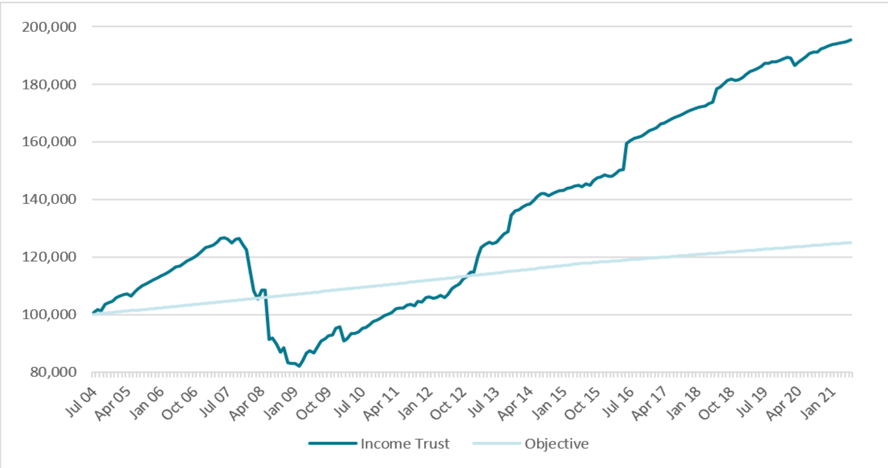
## Fund Performance

The Income Trust returned a positive return of 0.37% net of fees for the month of June. The Fund has outperformed its objective over a rolling 3-year period.

## Performance Chart

*$100K invested since inception*




## Portfolio Review

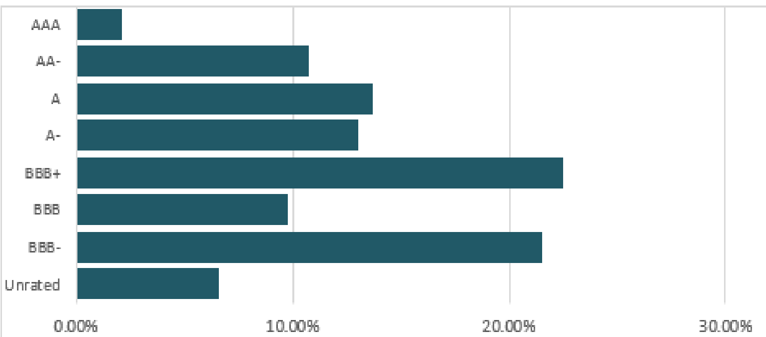
***Key Contributors***

- The higher yielding portion of the portfolio, hybrids, contributed the most to the overall Trust return (19bps).
- Strong demand combined with low supply supported the fixed income allocation (subordinated notes in particular) that returned 17 bps over the month of June.

***Key Detractors***

- Cash produced almost nil return over the month due to the low official cash rate of 0.1%.

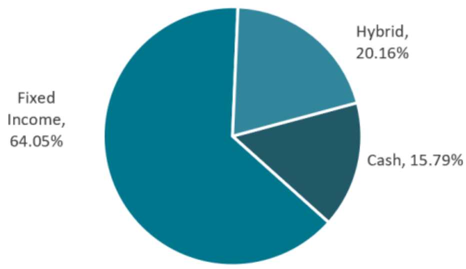
## Credit Rating Allocation




## Portfolio Statistics

| | |
|---|---|
| Funds Under Management | $57.4 million |
| Performance Return Since Inception net of fees *(Dec 31, 2000)^* | 4.02% p.a. |
| Distribution Frequency | Quarterly |
| Yield to Maturity | 1.45% |
| Average Credit Rating | A- |

## Asset Allocation




## Market Highlights

- As the final Term Funding Facility (TFF) borrowings were drawn down by banks, domestic credit spreads tightened by 3 bps over June providing a modest boost to the returns of credit exposures.
- Money market rates remained very low due to the 0.10% official cash rate and RBA's stance for an extended period of highly accommodative policy. Three-month bank bills ended the month lower with BBSW3m down 0.6bps to 0.03%.
- There was also a tightening of trading margins of higher yielding sectors like bank hybrids by 47 bps from the previous month. The short supply of these securities has supported a stronger demand as the market continue to search for yield.

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