

# MONTHLY UPDATE

## April 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.

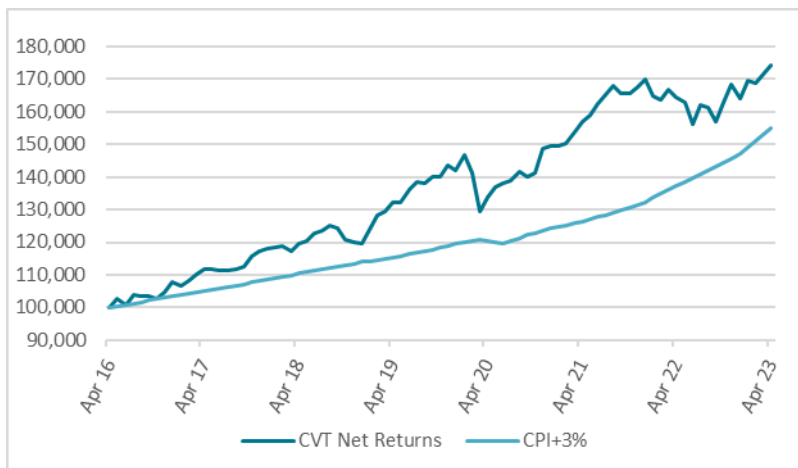
#### Performance

	Month	Quarter	FYTD	1 Year	3 Years	5 Years	7 Years
Catholic Values Trust (Gross of Fees) <sup>^</sup>	1.51	2.77	11.95	6.49	9.85	8.50	8.94
Catholic Values Trust (Net of Fees) <sup>^</sup>	1.46	2.60	11.37	5.79	9.15	7.80	8.24
Objective <sup>^</sup>	1.33	4.01	10.77	12.55	8.63	6.91	6.00

<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 1.46% net of fees for the month of April. The Fund has outperformed its objective over a rolling 7-year period.

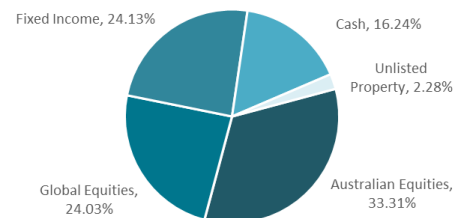
#### Key Contributors

- ◆ **Global equities** returned 3.00% in April. Risk sentiment held up despite weak economic data and sticky inflation. The USD strengthened against the AUD, adding to the positive unhedged return for the month.
- ◆ **Australian Equities** returned 1.79% in April. Interest rate sensitive sectors of Real Estate and Technology were the strongest performers on the back of an improving interest rate outlook. The materials sector lagged with iron ore prices reaching their lowest levels since December on weak demand and rising Chinese inventories.
- ◆ **Fixed Income** returned 0.39% in April, largely from accrued interests.
- ◆ **Unlisted Property** returned 0.42% over April due to valuations remaining stable from low transaction activity.

#### Portfolio Statistics

Funds Under Management	196 Million
Performance Return Since Inception net of fees (Jan 31, 2002) <sup>^</sup>	6.84%
Distribution Frequency	Half Yearly

#### Asset Allocation



#### Market Highlights

- ◆ **Australian equities** (S&P/ASX100) finished the month 1.74% higher. Sentiment was supported by a surprise pause in rate hikes from the RBA. The local jobs market remained tight despite higher rates, with unemployment remaining near record lows of 3.5%. Headline inflation eased to 7% yoy in March, with goods inflation moderating but services inflation continuing to rise.
- ◆ **Global equities** (MSCI World ex-Australia \$A Unhedged) finished the month 3.16% higher. Banking sector concerns from the previous month subsided, with JP Morgan acquiring First Republic bank in the US. Markets weighed up inflation that remains above central bank targets, with signs of slowing growth. Company earnings were mixed, but mostly positive compared to expectations.
- ◆ **Fixed Income**, as measured by the Bloomberg AusBond Composite 3-5 Yr Index finished the month 0.26% higher. Bond yields were relatively flat over the month with the 10-year Australian government bond rising 4bps and 3-year rising 6bps. The moves reflect moderating rate expectations following positive inflation data.

# 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.

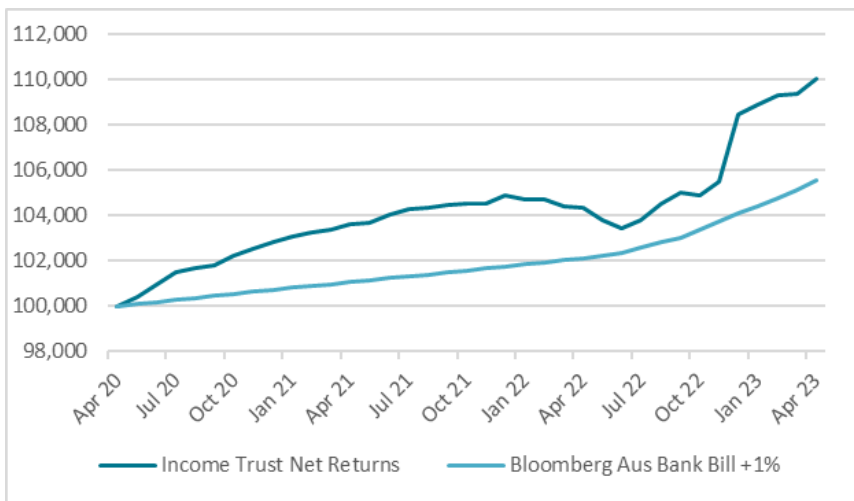
## Performance

	Month	Quarter	FYTD	1 Year	3 Years
Income Trust (Gross of Fees) <sup>^</sup>	0.62	1.21	6.91	6.11	3.89
Income Trust (Net of Fees) <sup>^</sup>	0.57	1.05	6.37	5.46	3.24
Objective <sup>^</sup>	0.39	1.08	3.11	3.36	<b>1.81</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 0.57% net of fees for the month of April. The Fund has outperformed its objective over a rolling 3-year period.

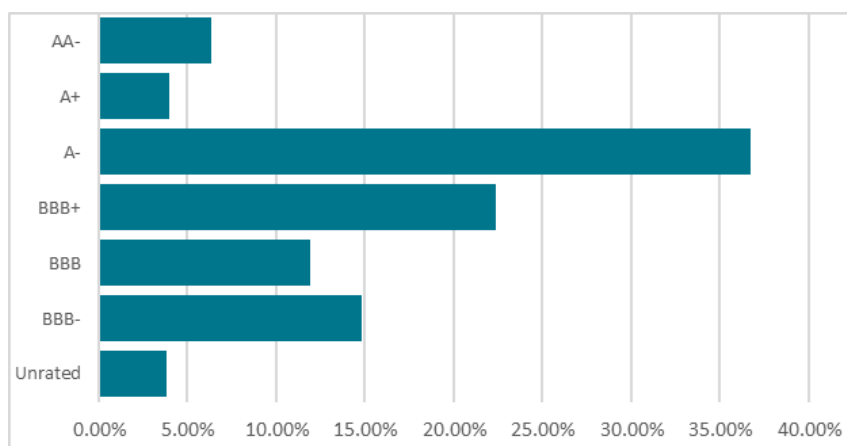
### Key Contributors

- ◆ Fixed Interest returned 0.48%, largely from accrued interests.

### Key Detractors

- ◆ Hybrids returned 1.05%. NABPH was the biggest contributor.

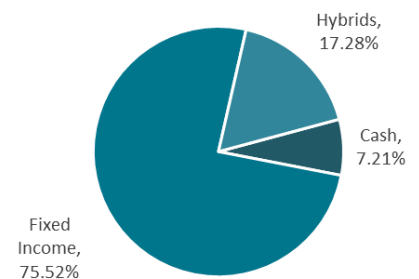
## Credit Rating Allocation



## Portfolio Statistics

Funds Under Management	43 Million
Performance Return Since Inception net of fees (July 31, 2004) <sup>^</sup>	3.93%
Distribution Frequency	Quarterly
Yield to Maturity	4.92%
Average Credit Rating	A-

## Asset Allocation



## Market Highlights

- ◆ **Fixed Income:** Floating Rate credit finished the month 0.46 higher. Australian floating rate note spreads finished the month 2bps wider. This had a modest deduction to the return received from accrued interests. Calm returned to credit markets after the regional US banking crisis concerns in the previous month.
- ◆ **Cash:** The Reserve Bank of Australia (RBA) kept rates on hold in April at 3.6%. The three-month bank bill yield fell 4bps, finishing the month at 3.68%
- ◆ **Hybrids** rose in April as the average major bank hybrid margin fell 30bps, following improving risk sentiment.

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