

# MONTHLY UPDATE

## March 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.

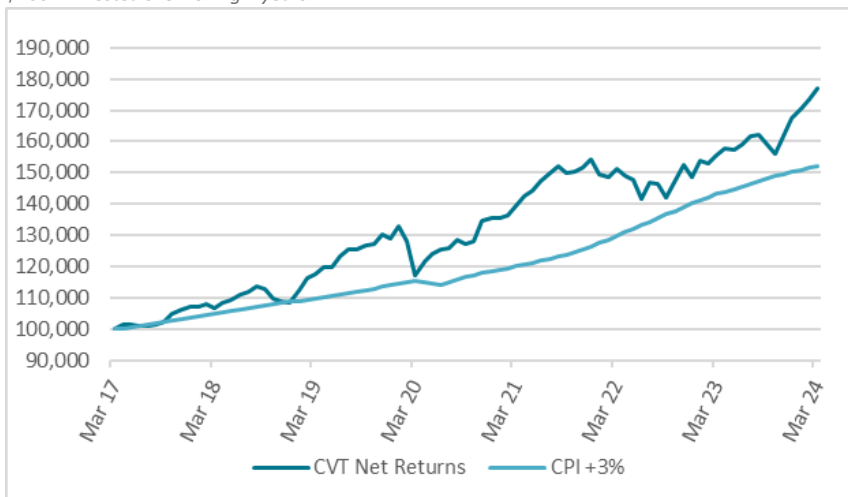
#### Performance

	Month	Quarter	FYTD	1 Year	3 Years	5 Years	7 Years
Catholic Values Trust (Gross of Fees) <sup>^</sup>	2.14	5.83	11.76	14.56	9.01	9.26	9.20
Catholic Values Trust (Net of Fees) <sup>^</sup>	2.08	5.65	11.23	13.86	8.31	8.56	8.50
Objective <sup>^</sup>	0.44	1.33	4.64	6.25	8.11	6.71	6.11

<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 2.08% net of fees for the month of March. The Fund has outperformed its objective over a rolling 7-year period.

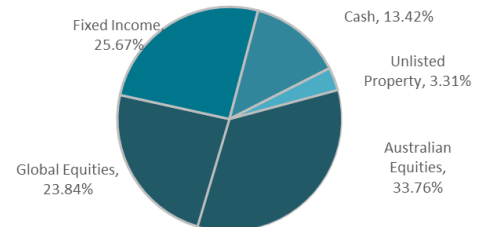
#### Key Contributors

- ◆ **Australian Equities** returned 3.58% in March. A more dovish RBA and cooler inflation figures supported local market sentiment. The interest rate sensitive real estate sector was the top performer. The energy sector also saw strong returns on the back of rising oil prices.
- ◆ **Global equities** returned 2.52% in March. Moves in global markets were largely driven by central bank rate cut expectations and signs that the economy was on the path to a soft landing. The AUD appreciated 0.35% against the USD over the month, detracting from the unhedged return.
- ◆ **Fixed Income** returned 0.88% in March. Falling bond yields over the month resulted in positive market value movements in bonds.
- ◆ **Property** returned 0.35% in March.

#### Portfolio Statistics

Funds Under Management	132 Million
Performance Return Since Inception net of fees (Jan 31, 2002) <sup>^</sup>	7.11%
Distribution Frequency	Half Yearly

#### Asset Allocation



#### Market Highlights

- ◆ **Australian equities** (S&P/ASX100) finished the month 3.32% higher. The Australian economy grew 0.2% in the December quarter, which was the slowest rate of annual growth since the pandemic, as consumers faced higher borrowing costs. Headline inflation rose less than expected at 3.4% on an annual basis in February. Retail sales rose 0.3% in the month of February, with the effect of Taylor Swift's Australian tour boosting spending. More jobs were added to the economy than expected in February, and the unemployment rate ticked back down to 3.7%.
- ◆ **Global equities** (MSCI World ex-Australia \$A Unhedged) finished the month 2.99% higher. The Fed left rates on hold as expected in March and most policy makers still expect three rate cuts in 2024. Headline CPI was slightly hotter than expected, rising 3.2% on an annual basis, largely driven by the shelter costs, which is expected to ease over the following months. The labour market remains healthy with more jobs added to the economy than expected in February, but the unemployment rate rose ticked upwards to 3.9%.
- ◆ **Fixed Income**, as measured by the Bloomberg AusBond Composite 3-5 Yr Index finished the month 0.83% higher. The yield on the Australian Government 3-year bond fell 9bps, and 5-year fell 14bps. Yields fell on the back of a more dovish RBA and cooler local 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.

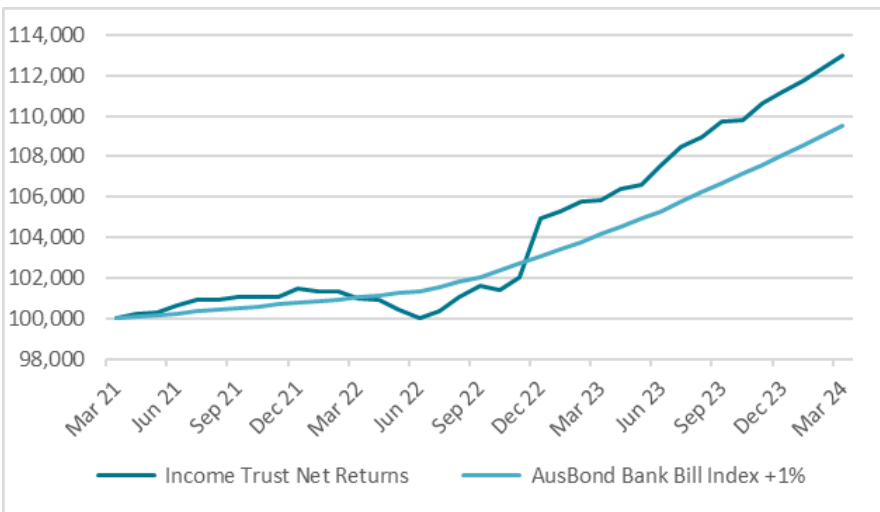
## Performance

	Month	Quarter	FYTD	1 Year	3 Years
Income Trust (Gross of Fees) <sup>^</sup>	0.59	1.70	5.43	7.42	4.80
Income Trust (Net of Fees) <sup>^</sup>	0.54	1.54	5.00	6.77	4.15
Objective <sup>^</sup>	0.45	1.34	4.01	5.13	<b>3.06</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

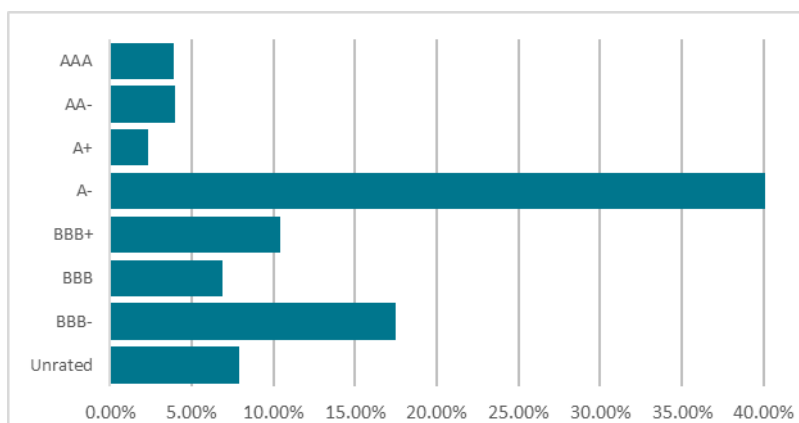


The Income Trust returned 0.54% net of fees for the month of March. The Fund has outperformed its objective over a rolling 3-year period.

## Key Contributors

- ◆ **Fixed Interest** returned 0.49% from a combination of narrowing credit spreads and accrued interest.
- ◆ **Hybrids** returned 0.75% largely from accrued interests.

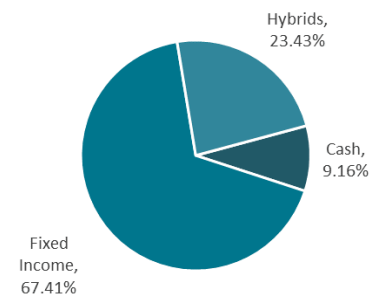
## Credit Rating Allocation



## Portfolio Statistics

Funds Under Management	28 Million
Performance Return Since Inception net of fees (July 31, 2004) <sup>^</sup>	4.06%
Distribution Frequency	Quarterly
Yield to Maturity	5.77%
Average Credit Rating	BBB+

## Asset Allocation



## Market Highlights

- ◆ **Fixed Income:** Floating Rate credit finished the month 0.50% higher. Australian floating rate note spreads narrowed by 3bps over the month. Notable primary issues from NAB and WBC continue to be met with strong investor demand.
- ◆ **Cash:** The RBA kept the cash rate on hold at 4.35% in March as expected. There were changes to the language in the latest statement of monetary policy that appeared to take a dovish tone as the central bank softened its tightening bias. The three-month bank bill yield was unchanged, finishing the month at 4.33%.
- ◆ **Hybrids (Major Banks)** gained 1.04% overall during March. Average major bank hybrid margins narrowed by 20bps.

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