

MONTHLY UPDATE

April 2020

Performance as at 30th April 2020

	Month	Quarter	FYTD	1 Year	3 Years	5 Years
Income Trust	0.66	-0.89	0.35	0.95	3.37	4.66
Catholic Values Trust	3.36	-9.44	-2.70	-0.23	5.35	4.72

All returns are net of fees and yearly returns are annualised

Investment Market Review

Following the slide in equity markets in March, April bought renewed hope for markets across the globe. The Australian share market, as measured by the S&P/ASX 100 Accumulation Index, rebounded strongly and returned 8.41% for the month, while global shares, as measured by the MSCI World ex Australia Index (unhedged), also climbed and returned 3.62% in April.

Domestic Economy Update

Australia's unemployment jumped to 6.2% in April, up from 5.2% in March, however below expectations of 8.3%. It was the highest jobless rate since September 2015 as a result of the coronavirus and its impact on businesses. The number of unemployed climbed by 104,500, with those looking for full-time work increasing by 115,000 and those looking for only part-time work falling by 10,500. Employment fell by 594,300, the biggest drop on record, with full-time positions falling by 220,500 and part-time roles declining by 373,800

The Reserve Bank of Australia (RBA) maintained interest rates at a record low of 0.25% at its monetary policy meeting in early May. The RBA also broadened the range of eligible assets it will accept as part of its quantitative easing program, with local currency securities from non-banks with an investment grade credit rating now accepted. The swift and strong stance from the RBA and Government has seen the Australian dollar (AUD) stabilise and fight back in April. After beginning the month as low as US59.80¢, the AUD reached a high on the final day of the month, at US65.70¢.

One area of the economy that has surprised to the upside as a result of coronavirus, is retail sales. Off the back of panic buying of essential products, retail sales surged 8.5% in March, the fastest on record. It seems that panic buying has now slowed at this stage and consumer sentiment around coronavirus is improving, as seen within the latest Westpac-Melbourne Institute consumer sentiment index where a jump from 75.6 to 88.1 over the last month was recorded (although a reading below 100 indicates there were more pessimists than optimists).

CCI Asset Management Update

End of Financial Year

With the end of the financial year approaching, it's an ideal time to ensure that all your client information is up to date. Have your bank details changed, do you have a new email address or is there a change of authorised signatories? Let us know of any change by completing the Change of Details Form via the below address:

www.cciassetmanagement.org.au/forms.htm

If you have any feedback or suggestions for the Monthly Update, please email me at david.smith@cciassetmanagement.org.au

Global Update

The coronavirus continues to spread across the globe, with Australia recording 100 deaths from 7,059 confirmed cases, while over 318,000 deaths have been recorded worldwide. The United States has now recorded over 90,000 deaths from 1.5m confirmed cases, with the UK, Italy, France and Spain all recording over 25,000 deaths.

Unemployment has also continued to rise as countries across the globe enforce lockdown policies. The U.S. unemployment rate jumped from 4.4% in March, to a staggering 14.7% in April, the highest figure since the Great Depression in the 1930's. In the UK the number of people claiming unemployment benefits increased by the most since records began to reach 2.1million.

As with Australia, there was positive pockets of news and a relaxing of lockdown policies in many countries and this was reflected in equity markets throughout the world. America saw the Dow Jones return 11.08% for April, the NASDAQ soar 15.45% and the S&P 500 record 12.68% for the month, while London's FTSE regained 4.04%, Japan's Nikkei gain 6.75% and China's Hang Seng and Shanghai Index's return 4.41% and 3.99% respectively for the month of April.

Income Trust

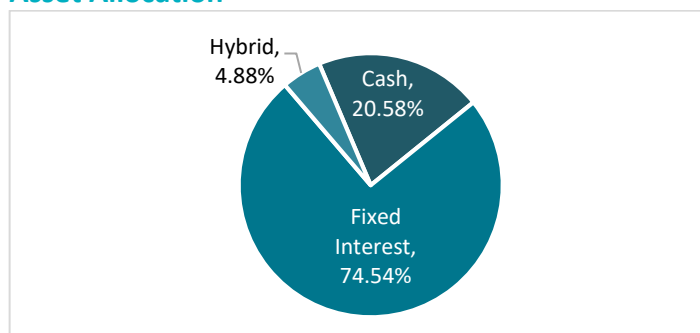
	Month	Quarter	FYTD	1 Year	3 Years	5 Years
Income Trust (Gross of Fees)#	0.71	-0.73	0.56	1.60	4.02	5.31
Income Trust (Net of Fees)#	0.66	-0.89	0.35	0.95	3.37	4.66
Benchmark	0.05	0.22	0.83	1.12	1.63	1.80
Objective: AusBond Bank Bill + 1.0%p.a. rolling 3yrs					2.63	

#All yearly returns are annualised

Monthly Performance Commentary

The Income Trust turned around last month's performance to produce a positive return for April, registering 0.66% net of fees. All asset classes outperformed for the month and the Trust continues to outperform the investment objective. Fixed Interest was the top contributor for the month, followed by Hybrids, and Cash.

Asset Allocation

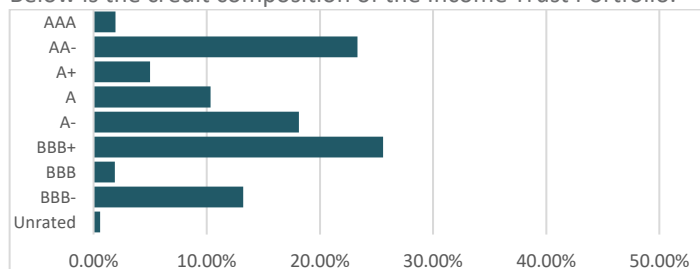


Top Contributors	Asset Class	Return %	Portfolio Contribution %
QUB Subordinated Notes	Fixed Interest	5.56	0.17
ANZ FRN	Fixed Interest	2.12	0.13
Westpac FRN	Fixed Interest	1.67	0.05
CBA Perls XII Capital Notes	Hybrids	7.33	0.05
Bank of Queensland FRN	Fixed Interest	1.01	0.04

Top Detractors	Asset Class	Return %	Portfolio Contribution %
West Links FRN	Fixed Interest	-3.08	-0.09
New Terminal Finance FRN	Fixed Interest	-1.71	-0.03
Standard Chartered Bank	Fixed Interest	-0.57	-0.02
Bendigo & Adelaide Bank	Fixed Interest	-0.48	-0.02

Portfolio Credit Rating Allocation

Below is the credit composition of the Income Trust Portfolio.



Unrated securities largely consist of unrated retail issues including Suncorp Group Ltd. Together these unrated securities represent 0.59% of the Income Trust Portfolio as at 30 April 2020.

These securities have not been issued a credit rating by any rating agency in accordance with ASIC regulation regarding credit ratings on retail issues.

Credit ratings as classified by Standard & Poor's

Fixed Interest

Fixed Interest rebounded during April and as a result of its large asset allocation of 74.54%, the outperformance of this asset class had a large impact on the portfolio return and ensured it was the top contributor. QUB Subordinated Note was the top contributor for the month, followed by ANZ Floating Rate Note, Westpac Floating Rate Note and Bank of Queensland Floating Rate Note. At the other end of the scales West Links Floating Rate Note and New Terminal Financing Floating Rate Note were the top detractors.

Hybrid Securities

Hybrid Securities also delivered a strong return this month and outperformed the benchmark. CBA Perls XII Capital Notes reversed last month's performance to be the top contributor for the month, followed by NAB Subordinated Notes and Westpac Group Capital Notes, while there were no detractors for the period

Hybrid Portfolio

Security	Issuer Margin
ANZ Bank Preference Shares	BBSW 90 Day + 3.40%
ANZ Capital Notes 6	BBSW 90 Day + 3.40%
CBA Perls VII Capital Notes	BBSW 90 Day + 2.80%
CBA Perls XII Capital Notes	BBSW 90 Day + 3.00%
CBA Perls IX Capital Notes	BBSW 90 Day + 3.90%
NAB Capital Notes	BBSW 90 Day + 3.50%
NAB Subordinated Notes 2	BBSW 90 Day + 2.20%
Suncorp Group Capital Notes	BBSW 90 Day + 4.10%
Westpac Group Capital Notes	BBSW 90 Day + 3.70%
Westpac Capital Notes 3	BBSW 90 Day + 4.00%

Fund Distribution History (cents per unit)

31 March 2019:	0.49
30 June 2019:	0.69
30 September 2019:	0.38
31 December 2019:	0.32
31 March 2020:	0.32

Catholic Values Trust

	Month	Quarter	FYTD	1 Year	3 Years	5 Years
Catholic Values Trust (Gross of Fees) [#]	3.42	-9.26	-2.47	0.47	6.05	5.42
Catholic Values Trust (Net of Fees) [#]	3.36	-9.44	-2.70	-0.23	5.35	4.72
Benchmark	3.97	-9.07	-2.53	0.22	5.23	5.50
Objective: CPI + 3%p.a. rolling 3 & 5 yrs					4.83	4.75

[#]All yearly returns are annualised

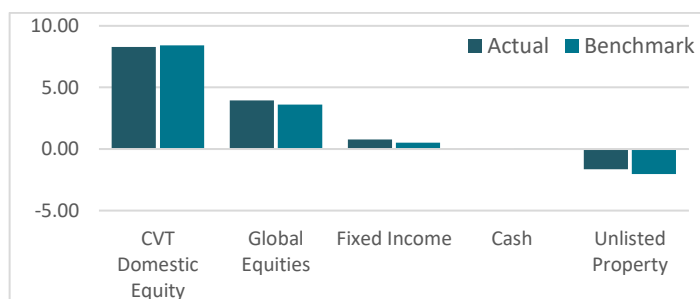
Monthly Performance Commentary

The Catholic Values Trust experienced a positive month in April and returned 3.36% net of fees for the month. Australian Equities was the top contributor, followed by Global Equities, while Fixed Interest was relatively flat and Property declined, although managed to outperform the property benchmark. The portfolio was underweight Australia Equities for the month, however a rebalance in May will align Australian Equities closer to the benchmark allocation and reduce the overweight to cash.

Asset Allocation

	CCI Asset Management	Benchmark Allocation
AU Equity	30.05%	35.00%
Global Equity	25.44%	25.00%
Property	3.25%	5.00%
Fixed Interest	20.05%	25.00%
Cash	21.22%	10.00%

Asset Class Return

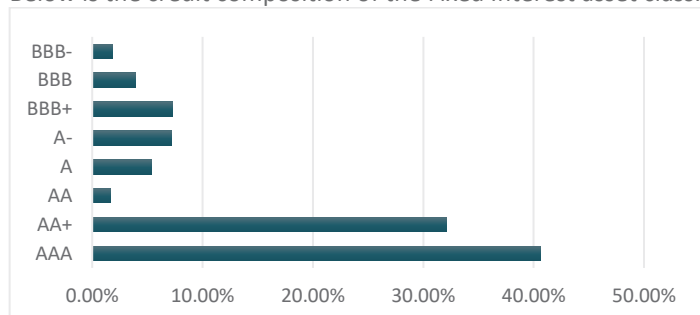


Fixed Interest

The Catholic Values Trust is underweight in Fixed Interest, and continues to maintain the majority of its exposure to semi-government securities. Fixed Interest outperformed the benchmark for the month.

Fixed Interest Credit Rating Allocation

Below is the credit composition of the Fixed Interest asset class.



Credit ratings as classified by Standard & Poor's.

Australian Equities

Following a tough March, Australian Equities rebounded and returned over 8% for the month. Materials was the best performing sector and this was visible at the security level, where BHP as the top contributor. CSL, Macquarie Group, Transurban and Woodside Petroleum made up the top five contributors. There were five detractors for the month – Insurance Australia Group, Resmed Inc, Westpac, QBE Insurance and Cochlear, with both Insurance Australia Group and Westpac declining after indicating dividends would be impacted this year. BHP shares climbed in April after announcing a solid 3Q20 operational result, while Transurban (toll roads operator) shares rebounded in April after falling over 20% since February, as a result of declining traffic volumes with more people working from home.

Top Contributors	Return %	AU Contribution %
BHP Group Limited	11.63	0.239
CSL Limited	4.30	0.143
Macquarie Group Ltd	19.72	0.126
Transurban Group	14.62	0.106
Woodside Petroleum	23.28	0.096

Top Detractors	Return %	AU Contribution %
Insurance Australia Group	-6.77	-0.022
Resmed Inc	-5.22	-0.012
Westpac Banking Corporation	-1.33	-0.008
QBE Insurance Ltd	-1.74	-0.005
Cochlear Limited	-1.57	-0.004

Global Equities

Manager: Vanguard Ethically Conscious International Shares Index Fund

The Vanguard Ethically Conscious International Share Index Fund also rebounded and produced a positive return of just under 4% net of fees for April. The top contributors included four of the top five biggest companies worldwide, namely Amazon (American conglomerate technology company), Apple (American technology company), Microsoft (American technology company) and Facebook, while HSBC and AIA Group were amongst the top detractors for the period. Amazon continued to benefit as a result of COVID-19, with online shopping increasing due to the lockdown policy's implemented across the globe, while HSBC has seen its share price decline by over 30% this year, due to the impact of the pandemic.

Fund Distribution History (cents per unit)

31 December 2018:	2.93
30 June 2019:	6.26
31 December 2019:	1.37

For any queries in relation to this CCI Asset Management Monthly Update please contact

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