

### Investment Performance as at 31 December 2011

Multi manager - Multi Sector Trusts	Month %	Quarter %	1 Year %	3 Years %	5 Years %
Balanced Trust	-0.20	2.35	-4.19	5.57	-1.00
Growth Trust	-0.34	2.31	-7.66	4.36	-3.43
Catholic Values Trust	-0.48	1.50	-4.11	5.57	0.82
Single Sector Trusts	Month %	Quarter %	1 Year %	3 Years %	5 Years %
Australian Equities	-1.42	0.93	-11.51	9.85	-2.88
Diversified Fixed Interest	0.91	1.43	8.80	5.97	6.55
Global Equities	-0.47	2.07	-11.83	0.88	-7.31
Diversified Property	0.54	4.62	2.28	2.15	-3.83
Australian Equities (CVT)	-1.80	1.36	-12.94	6.19	-2.61
Diversified Fixed Interest (CVT)	0.96	1.64	8.95	6.05	6.56
Global Equities (CVT)	-0.42	1.51	-7.07	-2.29	-7.53
Income Trust	1.61	2.69	7.19	8.44	-2.80

### Investment Market Review

The Australian share market as measured by the S&P/ ASX 300 Accumulation Index finished December down 1.4%. Global shares as measured by the MSCI World ex Australia Index (unhedged) were more or less flat, finishing up by 0.2%.

#### Domestic Economy

Notwithstanding recent interest rate cuts of 25 basis points in November and December respectively, (the Official Cash Rate is currently 4.25%), The Westpac Melbourne Institute Index noted consumer sentiment for the month of December was down 8.3% compared to November. Westpac's Chief Economists, Bill Evans, explained that 'respondent's concern over the reasons behind the rate cut may overwhelm the perceived benefits of the cut itself'. Specific news which concerned respondents included the reported increase in the unemployment rate from 5.2% to 5.3% and of course the constant stream of news on developments in Europe as well as volatile equity markets.

On a positive note, Australia ended 2011 with a top Sovereign Credit Rating by all three rating agencies, Standard & Poor's, Moody's and most recently Fitch. Moody's reaffirmed their AAA rating in December, commending the government's fiscal policy, noting the country's financial strength and low levels of debt.

#### Eurozone Update

On January 16<sup>th</sup> rating agency Standard & Poor's cut its credit rating of the European Financial Stability Facility, the Eurozone's rescue fund, by one notch to AA+, this occurred three days after it cut the ratings of nine Eurozone countries, including France & Austria. S&P commented that the decision was inevitable following the cuts to the credit worthiness of France & Austria, which are two of the EFSF's guarantors.

The EFSF was set up by the 17 governments that share the European single currency in May 2010 and has so far been used to provide emergency loans to Ireland and Portugal. It is also expected to contribute to a second bailout of Greece.

The fund's chief executive, Klaus Regling confirmed that 'the downgrade to AA+ by only one credit agency will not reduce the EFSF's lending capacity'. Mr Regling, further noted 'the EFSF has sufficient means to fulfil its commitments under current and potential future adjustment programs until the ESM becomes operational in July 2012'.

The European Stability Mechanism (ESM), is a permanent rescue fund that is expected to have an effective capacity of 500 billion Euros. However, details of the structure of the ESM have not been agreed to by all Eurozone member states. The original plan was to introduce it in July 2013, but that was brought forward by a year. Eurozone policymakers are now working towards the ESM coming into effect in just six months. EU leaders are next expected to meet for further talks in Brussels on 30<sup>th</sup> January 2012.

#### China News

Gross domestic product, the value of all goods and services produced, rose 8.9 % year on year in the fourth quarter, beating market expectations, yet still the slowest pace since the second quarter of 2009. GDP growth was noted at 9.1% year on year in the previous quarter ending September 2011.

The fourth straight quarterly slowdown in the world's second-largest economy adds to concerns that global expansion is faltering, with the International Monetary Fund warning of near- zero growth in Europe and a "substantial" cut to its global forecast. China's exports rose the least in two years in December.

#### Your Monthly Newsletter

We would like to cater your Monthly Newsletter to your needs. Is there an economic or investment topic that you would like us to touch on? Or do you simply have a helpful suggestion? We are interested in your thoughts and ideas to be included in future publications.

Contact **David Smith** via e-mail on [david.smith@ccinsurances.com.au](mailto:david.smith@ccinsurances.com.au) or phone **03 9934 3077**

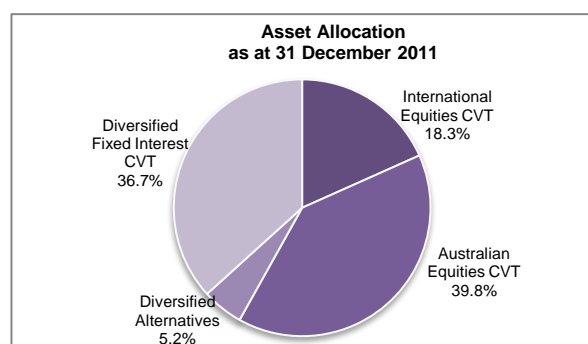
## December Quarter/Bi Yearly Distributions

The December Quarter/Bi-Yearly distributions are presently scheduled to be paid by mid February 2012.  
As per normal, until the distributions are paid, the fund is temporarily closed for redemptions and applications.

### CCIIM Catholic Values Trust\*

#### Returns to 31 December 2011

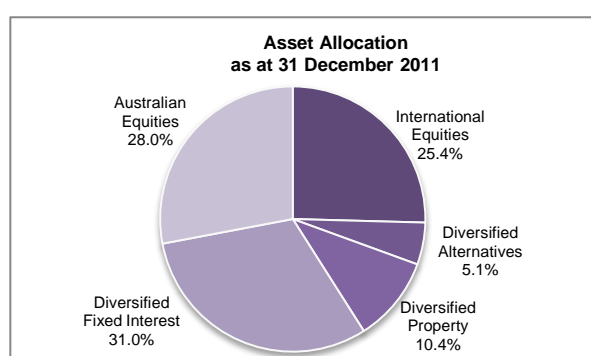
	Month %	Quarter %	FYTD %	Year %	3 Year %	5 Year %
Values Trust	-0.48	1.50	-3.98	-4.11	5.57	0.82
Benchmark	-0.09	2.17	-3.61	-2.66	5.57	0.29



### CCIIM Balanced Trust\*

#### Returns to 31 December 2011

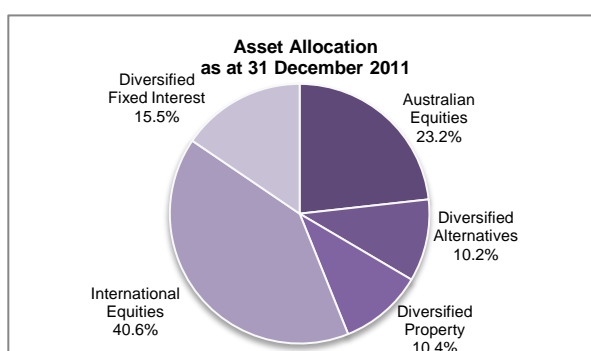
	Month %	Quarter %	FYTD %	Year %	3 Year %	5 Year %
Balanced Trust	-0.20	2.35	-5.34	-4.19	5.57	-1.00
Benchmark	0.29	3.37	-3.39	-1.12	6.78	0.29



### CCIIM Growth Trust\*

#### Returns to 31 December 2011

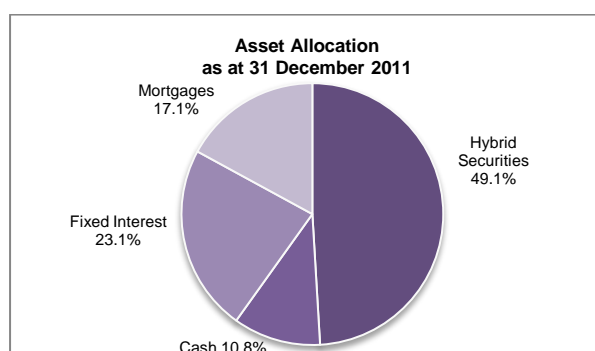
	Month %	Quarter %	FYTD %	Year %	3 Year %	5 Year %
Growth Trust	-0.34	2.31	-8.45	-7.66	4.36	-3.43
Benchmark	0.27	3.95	-5.10	-2.98	6.44	-1.54



### CCIIM Income Trust\*

#### Returns to 31 December 2011

	Month %	Quarter %	FYTD %	Year %	3 Year %	5 Year %
Income Trust	1.61	2.69	3.58	7.19	8.44	-2.80
Benchmark	0.40	1.22	2.47	5.01	4.38	5.49



\*all returns are net of fees and yearly returns are annualized  
\*benchmarks for single sector funds are available on our website

**Contact us:**  
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