

Diocese of Toledo - Catholic Foundation

Executive Summary of Investment Performance

December 31, 2015

Aggressive Pool – Trailed its Balanced Benchmark during the quarter (4.0% vs. 4.8%) and over the trailing twelve months (-3.9% vs. -1.5%). The Aggressive Pool's real estate allocation contributed to performance, while the all cap equity portfolio and international equity portfolio negatively impacted performance.

Long Term Pool – Trailed the Balanced Benchmark during the quarter (2.8% vs. 3.4%) and over the trailing twelve months (-2.1% vs. -0.6%). The Long Term Pool's real estate allocation contributed to performance, while the all cap equity portfolio and international equity portfolio negatively impacted performance.

Balanced Pool – Trailed its Balanced Benchmark for the quarter (2.1% vs. 2.6%) and over the trailing twelve months (-1.5% vs. -0.3%). The Balanced Pool's real estate allocation contributed to performance, while the all cap equity portfolio and international equity portfolio negatively impacted performance.

Fixed Income Pool – Trailed its Balanced Benchmark for the quarter (-0.7% vs. -0.5%) and over the trailing twelve months (0.3% vs. 0.6%).

Domestic All Cap Equity

The all cap equity composite trailed the Russell 3000 Index during the quarter. Both DFA and World Asset Management underperformed their respective benchmarks during the quarter.

World Asset Management – During the fourth quarter, the manager gained 6.5%, but trailed the performance of the S&P 500 Index (7.0%). Underweight positions in the healthcare sector and industrials sector negatively impacted performance during the quarter.

DFA U.S. Social Core Equity 2 – During the quarter, the manager advanced 3.8%, but trailed the performance of the Russell 3000 Index (6.3%). An underweight position to the health care sector, as well as an overweight position to the energy sector negatively impacted performance during the quarter. The value tilt of the fund further hampered relative returns.

International Equity

The international portfolio trailed the MSCI AC World Index ex-US during the quarter. Both the DFA International Social Core Equity Fund and DFA Emerging Markets Social Core Fund trailed their respective benchmarks.

DFA International Social Core Equity Fund – During the quarter the fund gained 3.7%, but trailed the performance of the MSCI EAFE Index (4.7%). Overweight positions in the energy sector and materials sector negatively impacted performance during the quarter. The fund's value tilt further detracted from relative returns.

DFA Emerging Markets Social Core – During the quarter the fund returned 0.2%, but trailed the MSCI Emerging Markets Index (0.7%). Overweight positions in the consumer staples sector, industrials sector, and materials sector detracted from performance during the quarter. The fund's value tilt further hampered from relative returns.

Fixed Income

The fixed income portfolio slightly trailed the Blended Index during the quarter. A longer than benchmark duration and exposure to non-investment grade debt are the primary reasons for the underperformance during the quarter.

DFA Short-Term Government Portfolio – During the quarter the fund declined 0.7% and trailed the performance of the ML 1-3Yr Govt/Corp Bond Index (-0.4%). Longer than benchmark duration negatively impacted relative returns during the quarter.

Christian Brothers Intermediate Bond Fund – During the quarter, the fund declined 0.7% and trailed the performance of the Barclays U.S. Aggregate Bond Index (-0.6%). Exposure to non-investment grade corporate debt detracted from performance during the quarter.

Real Estate

DFA Global Real Estate – During the quarter the fund gained 4.7% and exceeded the S&P Developed BMI Property Index (4.5%). An overweight to U.S. REITs contributed to performance during the quarter.