

Diocese of Toledo - Catholic Foundation

Executive Summary of Investment Performance

March 31, 2015

Aggressive Pool – Underperformed its Balanced Benchmark during the quarter (1.5% vs. 3.1%) and over the trailing twelve months (6.2% vs. 9.3%). The Aggressive Pool’s all cap equity portfolio and international equity portfolio had a negative impact on relative returns.

Long Term Pool – Underperformed the Balanced Benchmark during the quarter (1.2% vs. 2.5%) and over the trailing twelve months (5.3% vs. 7.8%). The Long Term Pool’s short term fixed income manager had a positive impact on performance, while the all cap equity portfolio, international equity manager, and intermediate fixed income manager had a negative impact on relative returns.

Balanced Pool – Underperformed its Balanced Benchmark for the quarter (1.0% vs. 2.1%) and over the trailing twelve months (4.5% vs. 6.8%). The Balanced Pool’s short term fixed income manager had a positive impact on performance, while the all cap equity portfolio, international equity manager, and intermediate fixed income manager had a negative impact on relative returns.

Fixed Income Pool –Trailed its Balanced Benchmark for the quarter (0.7% vs. 1.1%) and over the trailing twelve months (1.8% vs. 3.4%).

Domestic All Cap Equity

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

World Asset Management – During the first quarter, the manager gained 0.5%, but trailed the performance of the S&P 500 Index (0.9%). Overweight positions in the energy sector and financials sector negatively impacted performance during the quarter. An underweight position in the health care sector further detracted from relative returns.

DFA U.S. Social Core Equity 2 – During the quarter, the manager gained 1.2%, but trailed the performance of the Russell 3000 Index (1.8%). A significant underweight position in the health care sector detracted from performance during the quarter. Overweight positions in the energy sector and industrials sector further hampered relative returns.

International Equity

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

DFA International Social Core Equity Fund – During the quarter the fund gained 3.6%, but trailed the performance of the MSCI EAFE Index (4.9%). Overweight positions in the industrials sector and information technology sector detracted from performance during the quarter. An underweight position in the health care sector also hampered relative returns.

DFA Emerging Markets Social Core – During the quarter the fund gained 1.5%, but trailed the MSCI Emerging Markets Index (2.2%). An overweight position in the materials sector and utilities sector negatively impacted performance during the quarter. An underweight position in the health care also detracted from relative returns.

Fixed Income

The fixed income portfolio underperformed the Blended Index during the quarter. The underperformance of the Christian Brothers Intermediate Bond Fund was the primary reason for underperformance during the quarter.

DFA Short-Term Government Portfolio – During the quarter the fund gained 1.0% and exceeded the performance of the ML 1-3Yr Govt/Corp Bond Index (0.6%). Longer than benchmark duration benefitted performance during the quarter.

Christian Brothers Intermediate Bond Fund – The fund was added to the portfolio in January of 2015. Since inception, the fund declined 0.5% and trailed the performance of the Barclays Intermediate U.S. GV/CR Index (-0.2%). Shorter than benchmark duration negatively impacted performance since inception.

Real Estate

DFA Global Real Estate – During the quarter the fund gained 4.0%, but trailed the S&P Developed BMI Property Index (4.6%). An overweight to U.S. REITs negatively impacted performance during the quarter.