

# Diocese of Toledo - Catholic Foundation

## Executive Summary of Investment Performance

March 31, 2016

**Aggressive Pool** – Exceeded its Balanced Benchmark during the quarter (2.1% vs. 1.3%), but trailed the index over the trailing twelve months (-3.4% vs. -3.2%). The Aggressive Pool's all cap equity portfolio, international equity portfolio, and real estate allocation contributed to relative returns.

**Long Term Pool** – Exceeded the Balanced Benchmark during the quarter (2.2% vs. 1.7%) and over the trailing twelve months (-1.2% vs. -1.3%). The Long Term Pool's all cap equity portfolio, international equity portfolio, and real estate allocation contributed to relative returns, while an overweight to short term fixed income negatively impacted performance.

**Balanced Pool** – Exceeded its Balanced Benchmark for the quarter (2.0% vs. 1.7%) and over the trailing twelve months (-0.6% vs. -0.7%). The Balanced Pool's all cap equity portfolio, international equity portfolio, and real estate allocation contributed to relative returns, while an overweight to short term fixed income negatively impacted performance.

**Fixed Income Pool** – Matched its Balanced Benchmark for the quarter (2.0% vs. 2.0%), but exceeded the index over the trailing twelve months (1.6% vs. 1.5%). Relative outperformance of the short term fixed income allocation benefited performance, while the overweight to short term fixed income negatively impacted relative returns.

### **Domestic All Cap Equity**

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

**World Asset Management** – During the first quarter, the manager gained 1.6% and exceeded the performance of the S&P 500 Index (1.3%). An underweight position in the healthcare sector contributed to performance during the quarter.

**DFA U.S. Social Core Equity 2** – During the quarter, the manager advanced 1.8% and exceeded the performance of the Russell 3000 Index (1.0%). An underweight position to the healthcare sector, as well as an overweight position to the industrials sector benefited performance during the quarter. The value tilt of the fund further contributed to relative returns.

### **International Equity**

The international portfolio exceeded 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 outperformed their respective benchmarks.

**DFA International Social Core Equity Fund** – During the quarter the fund declined 0.5%, but exceeded the performance of the MSCI EAFE Index (-3.0%). An underweight position to the healthcare sector contributed to performance during the quarter. Overweight positions in the energy sector and materials sector also added to relative returns.

**DFA Emerging Markets Social Core** – During the quarter the fund returned 7.6% and outperformed the MSCI Emerging Markets Index (5.7%). Overweight positions in the materials sector and industrials sector contributed to performance during the quarter. The fund's value tilt further enhanced relative returns.

### **Fixed Income**

The fixed income portfolio matched the Blended Index during the quarter.

**DFA Short-Term Government Portfolio** – During the quarter the fund gained 1.7% and outperformed the performance of the ML 1-3Yr Govt/Corp Bond Index (1.0%). Lack of exposure to investment grade corporate debt benefited performance during the quarter. Longer than benchmark duration also contributed to relative returns.

**Christian Brothers Intermediate Bond Fund** – During the quarter, the fund returned 3.0% and matched the performance of the Barclays U.S. Aggregate Bond Index (3.0%). Exposure to non-investment grade corporate debt benefited performance during the quarter, while shorter than benchmark duration negatively impacted relative returns.

### **Real Estate**

**DFA Global Real Estate** – During the quarter the fund gained 7.1% and exceeded the S&P Developed BMI Property Index (5.4%). An overweight to U.S. REITs contributed to performance during the quarter. Broad security selection further enhanced relative returns.