

Diocese of Toledo - Catholic Foundation

Executive Summary of Investment Performance

June 30, 2015

Aggressive Pool – Outperformed its Balanced Benchmark during the quarter (0.0% vs. -0.1%), but trailed the index over the trailing twelve months (1.3% vs. 4.2%). The Aggressive Pool’s international equity portfolio contributed to relative returns, while the all cap equity portfolio and real estate manager negatively impacted performance.

Long Term Pool – Outperformed the Balanced Benchmark during the quarter (-0.2% vs. -0.4%), but trailed the index over the trailing twelve months (1.2% vs. 3.5%). The Long Term Pool’s international equity portfolio and fixed income portfolio contributed to performance, while the all cap equity portfolio and the real estate manager had a negative impact on relative returns.

Balanced Pool – Outperformed its Balanced Benchmark for the quarter (-0.1% vs. -0.4%), but trailed the index over the trailing twelve months (1.1% vs. 3.1%). The Balanced Pool’s international equity portfolio and fixed income portfolio contributed to performance, while the all cap equity portfolio and the real estate manager had a negative impact on relative returns.

Fixed Income Pool – Exceeded its Balanced Benchmark for the quarter (-0.4% vs. -0.8%), but trailed the index over the trailing twelve months (0.2% vs. 1.4%).

Domestic All Cap Equity

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

World Asset Management – During the second quarter, the manager gained 0.1%, but trailed the performance of the S&P 500 Index (+0.3%). Overweight positions in the energy sector and consumer staples 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 declined 0.1% and trailed the performance of the Russell 3000 Index (+0.1%). Overweight positions in the energy sector and industrial sector detracted from performance during the quarter. An underweight position in the health care sector further hampered relative returns.

International Equity

The international portfolio outperformed the MSCI AC World Index ex-US during the quarter. DFA International Social Core Equity Fund exceeded the Index during the quarter, while the DFA Emerging Markets Social Core Fund underperformed the index.

DFA International Social Core Equity Fund – During the quarter the fund gained 3.0% and outperformed the performance of the MSCI EAFE Index (+0.6%). An overweight position in the energy sector contributed to performance during the quarter. An underweight position in the health care sector further enhanced relative returns.

DFA Emerging Markets Social Core – During the quarter the fund declined 0.1% and trailed the MSCI Emerging Markets Index (+0.7%). An underweight position in the consumer discretionary sector negatively impacted performance during the quarter. An overweight position in the materials sector also detracted from relative returns.

Fixed Income

The fixed income portfolio outperformed the Blended Index during the quarter. A higher allocation to short term fixed income relative to the benchmark is the primary reason for outperformance during the quarter.

DFA Short-Term Government Portfolio – During the quarter the fund was flat and slightly trailed the performance of the ML 1-3Yr Govt/Corp Bond Index (+0.1%). Longer than benchmark duration detracted from performance during the quarter.

Christian Brothers Intermediate Bond Fund – During the quarter, the fund declined 1.6%, but exceeded the performance of the Barclays U.S. Aggregate Bond Index (-1.7%). Shorter than benchmark duration contributed to performance during the quarter.

Real Estate

DFA Global Real Estate – During the quarter the fund declined 7.5% and trailed the S&P Developed BMI Property Index (-6.3%). An overweight to U.S. REITs negatively impacted performance during the quarter.