

Diocese of Toledo - Catholic Foundation

Executive Summary of Investment Performance

September 30, 2016

Aggressive Pool – Exceeded its Balanced Benchmark during the quarter (5.6% vs. 5.2%), but trailed the index over the trailing twelve months (13.7% vs. 14.3%). The Aggressive Pool's domestic equity portfolio and international equity portfolio contributed to relative returns.

Long Term Pool – Exceeded the Balanced Benchmark during the quarter (3.7% vs. 3.6%), but trailed the index over the trailing twelve months (10.4% vs. 11.1%). The Long Term Pool's domestic equity portfolio and international equity portfolio contributed to performance.

Balanced Pool – Exceeded its Balanced Benchmark for the quarter (3.0% vs. 2.9%), but trailed the index over the trailing twelve months (8.6% vs. 9.4%). The Balanced Pool's domestic equity portfolio and international equity portfolio contributed to performance.

Fixed Income Pool –Trailed its Balanced Benchmark for the quarter (0.0% vs. 0.2%) and over the trailing twelve months (2.5% vs. 3.2%). An overweight allocation to short term fixed income negatively impacted performance during the quarter.

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 third quarter, the manager gained 4.3% and exceeded the performance of the S&P 500 Index (3.8%). Overweight positions in the consumer discretionary sector and information technology sector positively impacted performance during the quarter. Also, an underweight position to the healthcare sector benefit relative returns.

DFA U.S. Social Core Equity 2 – During the quarter, the manager advanced 5.8% and exceeded the performance of the Russell 3000 Index (4.4%). An underweight position to the healthcare sector and consumer staples sector benefited performance during the quarter.

International Equity

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

DFA International Social Core Equity Fund – During the quarter the fund gained 7.8% and exceeded the performance of the MSCI EAFE Index (6.4%). An underweight position to the healthcare sector, as well as overweight positions in the materials sector and consumer discretionary sector contributed to performance during the quarter.

DFA Emerging Markets Social Core – During the quarter the fund returned 8.3%, but underperformed the MSCI Emerging Markets Index (9.0%). Overweight positions to the utilities sector and consumer staples sector negatively impacted performance during the quarter.

Fixed Income

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

DFA Short-Term Government Portfolio – During the quarter the fund declined -0.2% and trailed the performance of the ML 1-3Yr Govt/Corp Bond Index (0.0%). Lack of exposure to investment grade corporate debt and a longer than benchmark duration negatively impacted returns during the quarter.

Christian Brothers Intermediate Bond Fund – During the quarter, the fund returned 0.7% and exceeded the performance of the Barclays U.S. Aggregate Bond Index (0.5%). Exposure to non-investment grade corporate debt and a shorter than benchmark duration benefited performance during the quarter.

Real Estate

DFA Global Real Estate – During the quarter the fund declined 0.1% and trailed the S&P Developed BMI Property Index (1.1%). An overweight to U.S. REITs detracted from performance during the quarter.