

# Diocese of Toledo - Catholic Foundation

## Executive Summary of Investment Performance

March 31, 2017

**Aggressive Pool** – Trailed its Balanced Benchmark during the quarter (5.4% vs. 5.7%), but exceeded the index over the trailing twelve months (17.8% vs. 17.7%). The Aggressive Pool's domestic equity portfolio and real estate manager detracted from relative returns.

**Long Term Pool** – Slightly Trailed the Balanced Benchmark during the quarter (4.0% vs. 4.2%) and over the trailing twelve months (11.9% vs. 12.0%). The Long Term Pool's domestic equity portfolio and real estate manager detracted from performance.

**Balanced Pool** – Matched its Balanced Benchmark for the quarter (3.4% vs. 3.4%), but slightly trailed the index over the trailing twelve months (9.5% vs. 9.7%). The Balanced Pool's domestic equity portfolio and real estate manager detracted from performance during quarter, while the international equity composite contributed to performance.

**Fixed Income Pool** – Slightly Trailed its Balanced Benchmark for the quarter (0.5% vs. 0.6%) and over the trailing twelve months (0.2% vs. 0.6%). An overweight to the short term fixed income manager negatively impacted performance during the quarter.

### **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 first quarter, the manager gained 5.9%, but trailed the performance of the S&P 500 Index (6.1%). Underweight positions in the health care sector negatively impacted performance during the quarter. Also, an overweight position to the financials sector further detracted relative returns.

**DFA U.S. Social Core Equity 2** – During the quarter, the manager advanced 3.9%, but trailed the performance of the Russell 3000 Index (5.7%). Underweight positions in the health care sector negatively impacted performance during the quarter. Also, an overweight position to the financials sector further detracted 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 benchmarks.

**DFA International Social Core Equity Fund** – During the quarter the fund gained 7.4% and exceeded the performance of the MSCI EAFE Index (7.2%). Overweight positions to the industrials sector, information technology sector, and materials sector contributed to performance during the quarter.

**DFA Emerging Markets Social Core** – During the quarter the fund gained 13.9% and outperformed the MSCI Emerging Markets Index (11.4%). Overweight positions to the industrials sector and materials sector positively impacted performance during the quarter.

### **Fixed Income**

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

**DFA Short-Term Government Portfolio** – During the quarter the fund gained 0.4% and matched the performance of the ML 1-3Yr Govt/Corp Bond Index (0.4%). Lack of exposure to investment grade corporate debt negatively impacted performance during the quarter, while a longer than benchmark duration added to relative returns.

**Christian Brothers Intermediate Bond Fund** – During the quarter, the fund gained 0.8% and matched the performance of the Bloomberg Barclays U.S. Aggregate Bond Index (0.8%). An overweight to investment grade corporate debt contributed to performance during the quarter, while a shorter than benchmark duration detracted from relative returns.

### **Real Estate**

**DFA Global Real Estate** – During the quarter the fund gained 1.9%, but trailed the performance of the S&P Developed BMI Property Index (2.7%). An overweight position to retail REITs and an overweight allocation to U.S. REITs negatively impacted performance during the quarter.