

Diocese of Toledo - Catholic Foundation

Executive Summary of Investment Performance

June 30, 2016

Aggressive Pool – Trailed its Balanced Benchmark during the quarter (1.4% vs. 2.3%) and over the trailing twelve months (-2.1% vs. -0.9%). The Aggressive Pool's international equity portfolio and real estate allocation detracted from relative returns.

Long Term Pool – Trailed the Balanced Benchmark during the quarter (1.4% vs. 2.1%) and over the trailing twelve months (0.4% vs. 1.1%). The Long Term Pool's international equity portfolio and real estate allocation, as well as an overweight to short term fixed income negatively impacted performance.

Balanced Pool – Trailed its Balanced Benchmark for the quarter (1.3% vs. 1.9%) and over the trailing twelve months (0.8% vs. 1.6%). The Balanced Pool's international equity portfolio and real estate allocation, as well as an overweight to short term fixed income negatively impacted performance.

Fixed Income Pool – Trailed its Balanced Benchmark for the quarter (1.2% vs. 1.4%) and over the trailing twelve months (3.1% vs. 3.8%). An overweight allocation to short term fixed income 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 second quarter, the manager gained 1.8%, but trailed the performance of the S&P 500 Index (2.4%). Overweight positions in the consumer discretionary sector and information technology sector negatively impacted performance during the quarter.

DFA U.S. Social Core Equity 2 – During the quarter, the manager advanced 1.5%, but trailed the performance of the Russell 3000 Index (2.6%). An underweight position to the healthcare sector, as well as an overweight position to the consumer discretionary sector detracted from performance during the quarter.

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 1.0%, but exceeded the performance of the MSCI EAFE Index (-1.5%). An underweight position to the financial sector, as well as overweight positions in the energy sector and materials sector contributed to performance during the quarter.

DFA Emerging Markets Social Core – During the quarter the fund returned 2.1% and outperformed the MSCI Emerging Markets Index (0.7%). An overweight allocation to the Latin American region positively impacted performance during the quarter. The fund's value tilt further enhanced relative returns.

Fixed Income

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

DFA Short-Term Government Portfolio – During the quarter the fund gained 0.7% and matched the performance of the ML 1-3Yr Govt/Corp Bond Index (0.7%). Lack of exposure to investment grade corporate debt benefited performance during the quarter, while longer than benchmark duration hampered relative returns.

Christian Brothers Intermediate Bond Fund – During the quarter, the fund returned 2.5% and exceeded the performance of the Barclays U.S. Aggregate Bond Index (2.2%). 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 gained 5.1% and exceeded the S&P Developed BMI Property Index (3.5%). An overweight to U.S. REITs contributed to performance during the quarter.