

# Diocese of Toledo - Catholic Foundation

## Executive Summary of Investment Performance

June 30, 2018

**Aggressive Pool** – Trailed its Balanced Benchmark during the quarter (2.0% vs. 2.6%), but exceeded the index over the trailing twelve months (12.8% vs. 12.7%). The Aggressive Pool's international equity portfolio detracted from relative returns.

**Long Term Pool** – trailed the Balanced Benchmark during the quarter (1.5% vs. 1.9%), but exceeded the index over the trailing twelve months (8.8% vs. 8.7%). The Long Term Pool's international equity portfolio detracted from relative returns.

**Balanced Pool** – trailed its Balanced Benchmark for the quarter (1.1% vs. 1.5%), but exceeded the index over the trailing twelve months (7.0% vs. 6.9%). The Long Term Pool's international equity portfolio detracted from relative returns.

**Fixed Income Pool** – Trailed its Balanced Benchmark for the quarter (0.0% vs. 0.1%) and over the trailing twelve months (-0.5% vs. -0.1%). Relative underperformance of the short term fixed income manager negatively impacted performance during the quarter.

### **Domestic All Cap Equity**

The all cap equity composite slightly trailed the Russell 3000 Index during the quarter. World Asset exceeded its benchmark during the quarter, while DFA trailed its benchmark.

**World Asset Management** – During the second quarter, the manager gained 3.9% and exceeded the performance of the S&P 500 Index (3.4%). Overweight positions to the energy sector, consumer discretionary sector, and information technology sector contributed to performance during the quarter.

**DFA U.S. Social Core Equity 2** – During the quarter, the manager rose 3.7%, but trailed the performance of the Russell 3000 Index (3.9%). Overweight positions to the financials sector and industrials sector negatively impacted performance during the quarter. Underweight positions to the real estate sector and information technology sector further hampered relative returns.

### **International Equity**

The international portfolio trailed 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 trailed their benchmarks.

**DFA International Social Core Equity Fund** – During the quarter the fund declined 1.8% and trailed the performance of the MSCI EAFE Index (-1.1%). Overweight positions to the financials sector and the industrials sector negatively impacted performance during the quarter.

**DFA Emerging Markets Social Core** – During the quarter the fund fell 9.6% and underperformed the MSCI Emerging Markets Index (-7.8%). An overweight position to the industrials sector and utilities sector negatively impacted performance during the quarter. The Fund's value tilt also hampered 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 0.1%, but trailed the performance of the ML 1-3Yr Govt/Corp Bond Index (0.3%). A longer than benchmark duration detracted from relative returns during the quarter.

**Christian Brothers Intermediate Bond Fund** – During the quarter, the fund declined 0.2% and matched the performance of the Bloomberg Barclays U.S. Aggregate Bond Index (-0.2%). An overweight to investment grade credit negatively impacted performance during the quarter, while exposure to non-investment grade corporate debt and shorter than benchmark duration contributed to performance.

### **Real Estate**

**DFA Global Real Estate** – During the quarter the fund gained 5.4%, and exceeded the performance of the S&P Developed BMI Property Index (4.4%). An overweight an overweight allocation to U.S. REITs contributed to performance during the quarter.