

Diocese of Toledo - Catholic Foundation

Executive Summary of Investment Performance

September 30, 2018

Aggressive Pool – Trailed its Balanced Benchmark during the quarter (4.1% vs. 4.4%) and over the trailing twelve months (11.9% vs. 12.4%). The Aggressive Pool's all cap equity portfolio and international equity portfolio detracted from relative returns.

Long Term Pool – Slightly trailed the Balanced Benchmark during the quarter (3.0% vs. 3.1%) and over the trailing twelve months (8.3% vs. 8.4%). The Long Term Pool's all cap equity portfolio and international equity portfolio detracted from relative returns.

Balanced Pool – Slightly trailed its Balanced Benchmark for the quarter (2.5% vs. 2.6%) and over the trailing twelve months (6.5% vs. 6.7%). The Long Term Pool's all cap equity portfolio and international equity portfolio detracted from relative returns.

Fixed Income Pool – Trailed its Balanced Benchmark for the quarter (0.0% vs. 0.2%) and over the trailing twelve months (-0.9% vs. -0.5%). Relative underperformance of 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 World Asset and DFA trailed their respective benchmarks during the quarter.

World Asset Management – During the quarter, the manager gained 6.9%, but trailed the performance of the S&P 500 Index (7.7%). Underweight positions to the healthcare sector and telecommunication services sector negatively impacted performance during the quarter.

DFA U.S. Social Core Equity 2 – During the quarter, the manager rose 5.4%, but trailed the performance of the Russell 3000 Index (7.1%). Underweight positions to the healthcare sector and information technology sector detracted from performance during the quarter. Overweight positions to the financials sector and energy sector further hampered relative returns.

International Equity

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

DFA International Social Core Equity Fund – During the quarter the fund gained 0.1%, but trailed the performance of the MSCI EAFE Index (1.1%). An underweight allocation to the healthcare sector and an overweight allocation to the materials sector negatively impacted performance during the quarter.

DFA Emerging Markets Social Core – During the quarter the fund fell 1.1%, but matched the performance of the MSCI Emerging Markets Index (-1.1%). Overweight positions to the industrials sector and materials sector contributed to performance during the quarter, while an overweight allocation to the energy sector detracted from 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 was flat at 0.0%, but trailed the performance of the ML 1-3Yr Govt/Corp Bond Index (0.3%). A lack of exposure to investment grade credit negatively impacted relative returns during the quarter.

Christian Brothers Intermediate Bond Fund – During the quarter, the fund was flat at 0.0% and matched the performance of the Bloomberg Barclays U.S. Aggregate Bond Index (0.0%). An overweight to investment grade credit contributed to performance during the quarter, while an overweight allocation to U.S. Treasuries detracted from relative returns.

Real Estate

DFA Global Real Estate – During the quarter the fund gained 0.4% and exceeded the performance of the S&P Developed BMI Property Index (-0.8%). An overweight allocation to U.S. REITs contributed to performance during the quarter.