CATHOLIC FOUNDATION CHANGES
JUNE 25, 2019
SAINT JOHN XXII PARISH
MEETING AGENDA

Opening Prayer (Rodney Schuster)
6:00 Welcome & Opening Comments (Phil Renda)
6:00 – 6:15 Food & Refreshments (All)
6:15 – 6:30 Intro and Overview (Phil Renda)
6:30 – 6:50 Changes to Foundation (Tom Antonini)
6:50 – 7:10 Forms and Statements (Randy Englund/Erin Adler - KeyBank)
7:10 – 7:30 Investment Options and Performance (Andrew Zach - FEG)
7:30 – 7:45 Management Corp Role (Phil Renda)
7:45 – 8:00 Questions
Closing Prayer (Rodney Schuster)
PRESENTATION TEAM

Phil Renda – Diocese Mgmt. Corp: Chief Operations/Finance Officer
Tom Antonini – Diocese Mgmt. Corp: General Counsel/Director Risk Management
Randy Englund – KeyBank: Client Strategist Associate
Erin Adler – KeyBank: Trust Officer
Andrew Zach – Fund Evaluation Group: Vice President
Other Diocesan Personnel Present: Amanda Fisher, Katie Kellmurray, Dave Reed, Rene Schmidbauer, Rodney Schuster, Dave Williams
• Background of Catholic Foundation
• Diocese Restructuring – Phase 1 and Phase 2
• Diocese Strategic Plan – Pillar 6 Developing Financial Resources
• Goals for taking this Action:
  o Align structure with purpose
  o Clarify and simplify operations/functions
  o Enhance protections and support
• Non-profit 501(c)(3); Established in 1988

• Purpose:
  o Entity for Parishes, Schools, etc. to invest restricted/unrestricted funds
  o Leverage trustee, investment mgmt., and endowment fees
  o Conflict of interest avoidance
  o Ensure USCCB Socially Responsible Investing (SRI) compliance

• Changes over time:
  o Leadership and staff changes
  o Annual Catholic Appeal (ACA) and National collections coordination
Diocese of Toledo · 2019-2022
STRATEGIC PLAN
VISION
To become a more faith-filled, united and vibrant Diocese of Toledo through fostering Holy Disciples, Holy Families and Holy Vocations

MISSION
We, the faithful of the Roman Catholic Diocese of Toledo, are called by Jesus Christ to proclaim the Gospel, celebrate the Sacraments and serve those in need, revealing to all the merciful face of the Father. Through prayer, fasting and almsgiving, we, the members of our parishes, schools and communities, strive with the help of the Holy Spirit, the intercession of Our Lady of the Rosary and fidelity to the Church, to be joyful witnesses to the love of God and neighbor.

CORE VALUES
CHRIST AT THE CENTER
We seek, in all that we do, to imitate Jesus Christ who came to serve and not to be served

DEEPENING COMMUNION
We strive to deepen the bonds of faith and charity with God, the Church and one another

INVITATION AND OUTREACH
We will reach out to share the Good News of Jesus and His love and mercy for all people of every culture, age and need

OPEN AND EFFECTIVE COMMUNICATION
We will communicate dynamically in a responsible, respectful and transparent way

EXCELLENCE AND ACCOUNTABILITY
We will act with integrity and strive to be competent, efficient and passionate in all we do pastorally and operationally

STRATEGIC PILLAR GOALS
SUPPORTING THE HEALTH OF PARISHES & CLERGY
INVIGORATING EVANGELIZATION & FORMATION
ENHANCING LAY LEADERSHIP
STRENGTHENING CATHOLIC EDUCATION
GROWING CATHOLIC CHARITABLE OUTREACH & ADVOCACY
DEVELOPING FINANCIAL RESOURCES
CHANGES TO THE FOUNDATION

Tom Antonini – Management Corporation
Out with the Old

The Catholic Foundation of the Diocese of Toledo
In with the New

The Diocese of Toledo Catholic Investment Trust
Basic Concepts

Trust Law
THE CHARITABLE TRUST RELATIONSHIP

Donor

Charitable Entity

Beneficiary
Gifts to a Charitable Entity

- Unrestricted
- Restricted
- Restricted with Endowment Features
CREDITOR ATTACKS

Donor

Charitable Entity

Beneficiary

Creditor
Protection from Creditors

• Existence of a trust relationship

• Assets of fund have been properly handled
Foundation

Types of Parish/School funds in Foundation

- Unrestricted
- 3rd Party Restricted
- Self-Restricted
Foundation

• 501(c)(3) corporation

• Foundation funds held by KeyBank as trustee for the benefit of various participants

• Maximize investment

• Socially responsible investing

• Corporate structure provides a firewall against creditor attacks
WHY CHANGE?

Corporation v. Trust

• Bishop is sole member of Foundation corporation, with significant authority over its governance

• Existence of common control by Bishop leaves open the possibility that all of the distinct entities will be treated as a single enterprise

• Trust model offers enhanced security
Legacy Trust Feature

• Consistent with our Diocesan phase one restructuring
• The Bishop retains the right to appoint trustees
• Enhanced statutory protection from creditors:
  o Shorter statute of limitations
  o Must prove intent to defraud by clear and convincing evidence
  o Loser pays attorney fees
Catholic Investment Trust

Types of accounts in the Trust:

• General – no material limitations on use of funds
• Designated – parish/entity sets aside general revenues for a particular ministry
• Restricted – third party donations to fund particular purpose or ministry of parish/entity
• Endowed – designed to provide support on a permanent basis by limiting distributions
What does this mean for my parish?

• The Diocese is not touching your account – assets remain assets of the parish, which can be removed by the parish

• Your separate sub trust account in KeyBank will stay just that

• Assets safeguarded, maximize investment, SRI

• Any donor or parish restrictions on the Account will remain the same
Next Steps:

- Accounts to be categorized based on supporting documents
- If you feel Account was incorrectly categorized, tell us
- Missing or no charter?
- New account set-up
Self-Endowed Feature:

• Self-Funded Endowment
  o parish creates a fund to receive contributions and support the parish on an ongoing basis

• Third-Party Settled Endowment
  o third party donor creates a fund to receive contributions and support the parish on a permanent basis
Questions?
FORMS AND STATEMENTS

Randy Englund – KeyBank
Erin Alder – KeyBank
Custodian and Trustee

- Coordinate with the Administrator to ensure participant transactions comply with administrative requirements of the Trust
- Provide record keeping via statements and online KeyLink access
- Establish new accounts for participants in the trust
- Monthly investment per participants elections
- Process outgoing payments to participants (as authorized by Diocese)
- Process incoming stock gifts (calculate values and distribute to participant)
• Updated Forms
  o New Account Set Up Form
  o Adoption Agreement/Charter
  o Account Update Form (Contact Update and Investment Update)
  o Deposit Withdrawal Forms

• All forms are to be emailed to catholic_diocese@keybank.com
• Email requests must be Cc’d to your parish pastor AND Rene Schmidbauer @ rschmidbauer@toledodiocese.org

• Forms are located at: https://toledodiocese.org/page/catholic-foundation#_welcome
NEW ACCOUNT SETUP

CATHOLIC INVESTMENT TRUST
NEW ACCOUNT SETUP

☐ NEW ACCOUNT TITLE: ________________________________________
☐ AMOUNT OF OPENING DEPOSIT: $ __________________________

TYPE OF FUND:
☐ GENERAL ACCOUNT
☐ LEGACY TRUST ACCOUNT (MUST SELECT ONE OPTION BELOW):
  ☐ RESTRICTED ACCOUNT (MUST ATTACH 3RD PARTY CHARTER OR FUND INSTRUMENT)
  ☐ DESIGNATED ACCOUNT (MUST ATTACH CHARTER OR FUND INSTRUMENT)
  ☐ ENDOWMENT ACCOUNT
☐ W-9 FOR ACCOUNT OWNER (MUST BE ATTACHED)
☐ ADOPTION AGREEMENT (MUST BE ATTACHED)

Contact:

Name: _______________________________________________________
Address: ___________________________________________________
Phone No.: ______________________ Fax No: ______________________
Email: ______________________________________________________

Establish KeyLink Access?  Yes ☐  No ☐

Investment Election:

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Asset Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in Money Market Fund</td>
<td></td>
</tr>
<tr>
<td>Investment in Fixed Income Pool</td>
<td></td>
</tr>
<tr>
<td>Investment in Balanced Pool</td>
<td></td>
</tr>
<tr>
<td>Investment in Long Term Pool</td>
<td></td>
</tr>
<tr>
<td>Investment in Aggressive Growth Pool</td>
<td></td>
</tr>
<tr>
<td>TOTAL (must equal 100%)</td>
<td></td>
</tr>
</tbody>
</table>

Income distribution election (Automatic Distributions)  Yes ☐  No ☐  (INCOME REINVESTED)

Options: ☐ Monthly ☐ Quarterly ☐ Annually ☐ Reinvest all income

Method of Distribution:
☐ Issue Check to Parish Entry Name:
☐ Direct Distribution to checking or savings account – please complete below:
  Financial Institution: ____________________________
  Account Name: __________________________________
  Account No: ____________________________________

If other than KeyBank ABA (Routing) No: ____________________________

**PLEASE NOTE THAT ACH IS THE PREFERRED/ MORE SECURE METHOD OF DISTRIBUTION

Authorization Section – Must Be Completed

Authorized Signature: __________________________________________
Printed Name and Title: __________________________ Date: ___________
ADOPTION AGMT AND CHARTER

AGREEMENT ADOPTING THE TRUST AGREEMENT OF THE DIOCESE OF TOLEDO CATHOLIC INVESTMENT TRUST

Participating Entity:

Whereas, on July 1, 2019, The Most Reverend Daniel E. Thomas, Bishop of Toledo, and the National Association of Catholic Trustees ("Trustee") pursuant to the amendment and restatement of a pre-existing charitable trust, adopted the Diocese of Toledo Catholic Investment Trust Agreement, and thereby established the terms of the Diocese of Toledo Catholic Investment Trust ("Catholic Investment Trust").

Whereas, the Catholic Investment Trust was formed for the administration and investment of funds, including investment funds and funds held in trust (as restricted funds or otherwise) ("Funds"), for the use or benefit of persons of the Roman Catholic Diocese of Toledo in America ("Diocese") and other organizations and not-for-profit entities affiliated with the Diocese ("Participating Entities") or ministries or persons intended to be benefited by such Funds.

Whereas, Participating Entities may cause Funds to be held and administered in the Catholic Investment Trust if they agree such Funds shall be held in one or more sub-trusts within the Catholic Investment Trust, with all such Funds and sub-trusts subject to the terms of the Catholic Investment Trust (and, with respect to any restricted or designated Fund, the terms of all instruments governing the administration of such Fund ("Restricted Fund Instrument"); and such Funds are accepted for administration by the Administrator of the Trust.

New Therefore, this agreement evidences the intention of the foregoing named Participating Entity, to create or modify the creation of the account or accounts listed in Section 2 (such an "Account") for the administration of each Fund, to be held and managed as sub-trusts of the Catholic Investment Trust. Participating Entity confirms that:

- Each Account created or continued pursuant to this Agreement is subject to the terms of the Catholic Investment Trust, including the terms of any applicable Restricted Fund Instrument.
- Paragraph 2 identifies those General Accounts and Restricted or Designated Accounts maintained on behalf of the Participating Entity.
- A copy of each Restricted Fund Instrument with respect to each Restricted or Designated Account had been provided to the Administrator of the Catholic Investment Trust.
- Each Account will be fully invested in the investment pools as may be made available from time to time under the Catholic Investment Trust.
- The Finance Council/Investment Committee of the Catholic Investment Trust shall have sole responsibility for the selection of investment pools available under the terms of the Catholic Investment Trust.
- Subject to administrative requirements of the Trustee and Trust Administrator, Participating Entity, acting through its Authorized Representative, shall have full discretion to (i) allocate the distribution of each Account between investment pools, and (ii) determine a distribution of assets from each Account.

A "restricted account" is an account established by a third party to be used for a particular purpose.

A "designated account" is an account established by a Participating Entity with money held for the benefit of another person, family, foundation, church, or charitable organization.

ARTICLE I: Name

The name of the Fund shall be: The [Name of school/parish] Catholic School/Parish Endowment Fund, Inc. ("Fund").

ARTICLE II: Purpose

The purpose of the Fund shall be to perpetuate, partially support and uphold the educational/religious work of [Name of school/parish]. Any conditions imposed by the trustees of the Fund upon its interest or income shall be in conformity with this basic purpose.

It is important to be as specific as possible in defining the purpose of the Fund. It is for educational purposes for a school, may be used for scholarships, tuition assistance, or maintenance and equipment needs of the school.

ARTICLE III: DEPOSITING OF PRINCIPAL ASSETS

The trustees may deposit the principal assets of this fund in the Catholic Foundation of the Diocese of Toledo or elsewhere as they determine appropriate. The parish reports all investments to the Bishop of Toledo and to the Diocese in the annual Parish/School Financial report, which includes the detailed listing of all assets and where they are deposited.

ARTICLE IV: GOVERNANCE: TRUSTEES

The Trustees shall be the principal custodian of this fund and shall, at its own expense, be responsible for the proper administration and management of the fund. The Trustees shall be the decision-makers for the fund. The Trustees shall also be responsible for the proper administration and management of the fund.

The Trustees shall be responsible for the proper administration and management of the fund. They shall be responsible for the proper administration and management of the fund. They shall be responsible for the proper administration and management of the fund.

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ACCOUNT UPDATE FORM

CATHOLIC INVESTMENT TRUST
ACCOUNT UPDATE FORM

Account Name: ________________________________
Account Number: ________________________________

CONTACT UPDATE:  [ ] Add  [ ] Remove

Name: _______________________________________
Address: _______________________________________
Phone No.: __________________ Fax No: __________________
Email: _______________________________________

Establish New KeyLink Access?  [ ] Yes  [ ] No (only select yes if you don’t currently have access)

INVESTMENT ELECTION UPDATE:

<table>
<thead>
<tr>
<th>Investment</th>
<th>Existing Allocation</th>
<th>New Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income Pool</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balanced Pool</td>
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</tr>
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<td>Aggressive Growth Pool</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL (must equal 100%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

INCOME DISTRIBUTION ELECTION UPDATE (Automatic Distributions)

Options:  [ ] Monthly  [ ] Quarterly  [ ] Annually  [ ] Reinvest all income

Method of Distribution:

[ ] Issue Check to Parish Entity Name: ________________________________
[ ] Direct Distribution to checking or savings account – please complete below:
   Financial Institution: ____________________________________________
   Account Name: ____________________________________________
   Account No.: ____________________________________________

If other than KeyBank ABA (Routing) No.:

**PLEASE NOTE THAT ACH IS THE PREFERRED/MORE SECURE METHOD OF DISTRIBUTION**

Authorization Section – Must Be Completed

Authorized Signature: ________________________________  Date: ________________________________
Printed Name and Title: ________________________________

Return this form to:  catholic_diocese@keybank.com  Or
Key Bank
Attn: Randy England
300 Madison Ave, Suite 1540
Toledo, OH 43604

**All e-mails must be Cc’d to your Pastor or equivalent AND Rene Schmidbauer @ rcschmidbauer@toledodiocese.org**

***FORMS RECEIVED AFTER THE 10TH ARE PROCESSED THE FOLLOWING MONTH***

***QUESTIONS RELATED TO FILLING OUT THE FORM CALL RANDY ENGLUND 419-259-8218***

The investment election on this form continues in effect until future changes are acknowledged in writing and provided to the corporate trustee. Transfers from funds occur monthly.
(2018) Rev 6/21/19
DEPOSIT/WITHDRAWAL FORM

CATHOLIC INVESTMENT TRUST
Deposit/Withdrawal Form

Account Name: ________________________________
Account Number: ________________________________

DEPOSIT: * Checks should be made payable to the Catholic Investment Trust c/o KeyBank

DEPOSIT AMOUNT: $________________________

*Deposits will be posted per your current allocations. Please complete the account update form for any changes to allocations.

WITHDRAWALS:

WITHDRAWAL AMOUNT: $________________________

*Withdrawals will be processed once and then current allocations unless otherwise directed below

Income: % Fixed: % Balanced: % Long Term: % Aggressive: %

**TOTAL (must equal 100%)**

Method of Distribution:

☐ Direct Distribution to checking or savings account – please complete below:

Financial Institution: ________________________________
Account Name: ________________________________
Account No.: ________________________________
ABA (Routing) No.: ________________________________
Issue Check to Parish Name: ________________________________

**PLEASE NOTE THAT ACH IS THE PREFERRED / MORE SECURE METHOD OF DISTRIBUTION.**

Authorization Section – Must Be Completed for all withdrawals (signer covenants that all distributions will be administered in accordance with applicable fund instrument limitations / restrictions)

Authorized Signature: ________________________________
Printed Name and Title: ________________________________ Date: __________

Return this form to: catholic_diocese@keybank.com Or
KeyBank
Attn: Randy Englund
300 Madison Ave, Suite 1500
Toledo, OH 43604

**All e-mails must be Cc'd to your Pastor or equivalent AND Rene Schmidbauer @ rrenschmidbauer@toledodiocese.org**

****FORMS RECEIVED AFTER THE 25TH ARE PROCESSED THE FOLLOWING MONTH

***QUESTIONS RELATED TO FILLING OUT THE FORM CALL RANDY ENGLUND 419-259-8218

6/26/2019
• KeyLink – Online access to statements, balances and transaction information.

• Once KeyLink access is established the invested organization is given a username and password and reference guide supplied directly from KeyBank.

• KeyLink can be accessed at the follow web address: https://keylinklogin.key.com/mfr

• KeyLink Support can be reached at: 1-800-539-8458

• Clean up - confirming correct people have access to statements and KeyLink.
Statement Overview

Questions: Contact Erin Adler at KeyBank
216-471-2595
Erin_k_adler@keybank.com
A. **Statement Identification**: Indicates the account number and current statement period.

B. **Investment Snapshot**: Provides a quick glance of the change in the portfolio since the last statement period.

C. **Important Messages**: News and special messages will be provided when valuable or relevant information from Key may affect the account.

D. **How to Contact Us**: Your advisors may be reached by phone, fax or email to assist with any matters relating to the account, statement or your financial objectives.

E. **View Your Portfolio Online**: Contact us to learn how to view your account information online.
F. Holdings Summary & Asset Allocation: Provides an overview of the account value at the beginning and end of the statement period, broken down by the major asset types. Estimated annual income and unrealized gain/loss are provided as well as a principal asset allocation pie chart.

G. Activity Summary: Shows how the value of the total portfolio has changed during the statement period by additions to the portfolio, subtractions from the portfolio, and the net change in market value of the securities.
H. Investment Value: This section is provided if growth is a primary component of the account’s investment objective. Portfolio Value can change for many reasons, including additions and withdrawals from accounts as well as market fluctuations, and should not be used to determine investment performance.

I. Income Summary: Provides information about the federally taxable and tax-exempt income earned by the account for the current statement period as well as from January of the current year through the current statement period (year-to-date). This information may assist your tax advisor. However, it should not be used for Internal Revenue Service reporting.

J. Realized Gain/Loss Summary: Summarizes the short- and long-term gains/losses that have been realized by the account from the purchase and sale of securities, as well as those distributed from mutual funds or common trust funds. Information is provided for the current statement period as well as from January of the current year through the current statement period (year-to-date).

Investment Value Summary

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/07</td>
<td>$8,760,000</td>
</tr>
<tr>
<td>12/08</td>
<td>$8,760,000</td>
</tr>
<tr>
<td>12/09</td>
<td>$8,760,000</td>
</tr>
<tr>
<td>12/10</td>
<td>$8,760,000</td>
</tr>
<tr>
<td>12/11</td>
<td>$8,760,000</td>
</tr>
<tr>
<td>12/12</td>
<td>$8,760,000</td>
</tr>
<tr>
<td>12/13</td>
<td>$17,500,000</td>
</tr>
</tbody>
</table>

These are your portfolio values on the dates noted; this is not performance information.

Income Summary

<table>
<thead>
<tr>
<th>Type</th>
<th>This Period</th>
<th>Year-to-date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends</td>
<td>$10,246.30</td>
<td>$18,788.23</td>
</tr>
<tr>
<td>Total Taxable</td>
<td>$10,246.30</td>
<td>$18,788.23</td>
</tr>
<tr>
<td>Total Income Summary</td>
<td>$10,246.30</td>
<td>$18,788.23</td>
</tr>
</tbody>
</table>

* Includes short term gain.

Realized Gain/Loss Summary

<table>
<thead>
<tr>
<th>Type</th>
<th>This Period</th>
<th>Year-to-date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends</td>
<td>0.00</td>
<td>58,432.96</td>
</tr>
<tr>
<td>Total Long</td>
<td>0.00</td>
<td>58,432.96</td>
</tr>
<tr>
<td>Total Realized Gain/Loss Summary</td>
<td>0.00</td>
<td>58,432.96</td>
</tr>
</tbody>
</table>

This is for informational purpose only and is not tax advice. Please see your tax advisor for tax advice.

* Includes short term gain.
K. Holdings Detail: Lists all assets held in the account and details information for each holding including:

1. **Quantity** – The number of shares of stock or units held of a fixed income or collective fund holding.
2. **Unit Price** – The market value per share/unit of a holding as of the statement date.
3. **Market Value** – The current market value of a holding as of the statement date.
4. **Cost Per Unit** – Generally, the amount paid per unit for the asset when purchased.
5. **Tax Cost** – Generally, the total amount paid for the holding when the asset was purchased.
6. **Unrealized Gain/Loss** – The difference between the current market value and the tax cost when purchased.
7. **Estimated Annual Income** – An estimate of the income the asset would earn over a period of 12 months.
8. **Current Market Value** – The estimated annual income of a holding as a percentage of the current market value.
9. **Ticker/CUSIP Symbol** – The Ticker will display for most holdings. For those holdings that do not have a Ticker symbol, the CUSIP will display.
10. **Tax Lot** – The individual tax lot information for the same security purchased on different dates.

### Holdings Detail - Principal Assets

<table>
<thead>
<tr>
<th>Security</th>
<th>Quantity</th>
<th>Hire</th>
<th>Market Value</th>
<th>Cost</th>
<th>Market Value</th>
<th>Cost</th>
<th>Unrealized Gain/Loss</th>
<th>Unrealized Gain/Loss</th>
<th>Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock A</td>
<td>100</td>
<td>200</td>
<td>10,000</td>
<td>500</td>
<td>9,000</td>
<td>400</td>
<td>1,000</td>
<td>1,000</td>
<td>0.5</td>
</tr>
<tr>
<td>Stock B</td>
<td>150</td>
<td>175</td>
<td>15,000</td>
<td>750</td>
<td>14,000</td>
<td>600</td>
<td>1,000</td>
<td>1,000</td>
<td>0.3</td>
</tr>
<tr>
<td>Stock C</td>
<td>200</td>
<td>220</td>
<td>20,000</td>
<td>1,000</td>
<td>19,000</td>
<td>900</td>
<td>1,000</td>
<td>1,000</td>
<td>0.2</td>
</tr>
</tbody>
</table>

### Holdings Detail - Principal Assets (Continued)

<table>
<thead>
<tr>
<th>Security</th>
<th>Quantity</th>
<th>Hire</th>
<th>Market Value</th>
<th>Cost</th>
<th>Market Value</th>
<th>Cost</th>
<th>Unrealized Gain/Loss</th>
<th>Unrealized Gain/Loss</th>
<th>Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond 1</td>
<td>100</td>
<td>100</td>
<td>10,000</td>
<td>500</td>
<td>9,000</td>
<td>400</td>
<td>1,000</td>
<td>1,000</td>
<td>0.5</td>
</tr>
<tr>
<td>Bond 2</td>
<td>150</td>
<td>175</td>
<td>15,000</td>
<td>750</td>
<td>14,000</td>
<td>600</td>
<td>1,000</td>
<td>1,000</td>
<td>0.3</td>
</tr>
<tr>
<td>Bond 3</td>
<td>200</td>
<td>220</td>
<td>20,000</td>
<td>1,000</td>
<td>19,000</td>
<td>900</td>
<td>1,000</td>
<td>1,000</td>
<td>0.2</td>
</tr>
</tbody>
</table>
L. Transaction Summary: A transaction summary is available showing the breakdown of all cash and non-cash transactions occurring during the statement period. The cash transactions are summarized by receipts to the accounts, such as deposit and dividend postings, and disbursements from the account, such as payments to or for beneficiaries. The impact of the receipts and disbursements on the cash balance is indicated as well as any changes to tax cost. Non-cash transactions impacting only the tax cost of the account are also summarized, such as tax cost adjustments of assets for the account.

<table>
<thead>
<tr>
<th>Transaction Summary</th>
<th>Income Cash</th>
<th>Principal Cash</th>
<th>Tax Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance on 12/01</td>
<td>0.00</td>
<td>0.00</td>
<td>1,490,898.37</td>
</tr>
<tr>
<td>Cash Transactions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Transactions-Receipts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADX SALES</td>
<td>47,783.82</td>
<td>0.00</td>
<td>-47,783.82</td>
</tr>
<tr>
<td>DIVIDENDS</td>
<td>7,813.03</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>TAXABLE F. INTEREST</td>
<td>131.83</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Cash Transactions-Receipts</td>
<td>55,728.48</td>
<td>0.00</td>
<td>-47,783.82</td>
</tr>
<tr>
<td>Cash Transactions-Disbursements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADX PURCHASES</td>
<td>-1,689.00</td>
<td>0.00</td>
<td>1,689.00</td>
</tr>
<tr>
<td>FEES AND EXPENSES</td>
<td>-7,624.73</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Cash Transactions-Disbursements</td>
<td>-9,313.73</td>
<td>0.00</td>
<td>1,689.00</td>
</tr>
<tr>
<td>Ending Balance on 12/31</td>
<td>$46,414.75</td>
<td>$0.00</td>
<td>$1,444,803.55</td>
</tr>
</tbody>
</table>
M. Transaction Detail: Provides a chronological listing of all cash and non-cash transactions that occurred during the statement period. The detail provided includes the date of the transaction, a description of the transaction as well as the dollar impact to the account’s cash positions and tax cost.

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Income Cash</th>
<th>Principal Cash</th>
<th>Tax Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/02</td>
<td>DIVIDEND 2,000 shares @ 0.225</td>
<td>450.00</td>
<td>0.00</td>
<td>1,490,888.37</td>
</tr>
<tr>
<td></td>
<td>INTL CORP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>REC 31/11/17/2013 PAY QT 12/31/2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/02</td>
<td>DIVIDEND 1,400 shares @ 0.89</td>
<td>1,168.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CONOCORILL,PLS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>REC 31/10/15/2013 PAY QT 12/22/2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/22</td>
<td>DIVIDEND 700 shares @ 0.39</td>
<td>273.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>MM CNLS 50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>REC 31/11/4/2015 PAY QT 12/22/2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/16</td>
<td>DIVIDEND 300 shares @ 0.4</td>
<td>120.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>VISA INC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>REC 31/11/5/2013 PAY QT 12/03/2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/16</td>
<td>MUTUAL FUND - REGULAR INTEREST</td>
<td>101.63</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>32% SHARES @ 0.0500</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SHARES JAPAN ORGANIC USD ESMER MKTS 5.07700</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>REC 31/12/24/2013 PAY QT 12/06/2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/16</td>
<td>DIVIDEND 1,000 shares @ 1</td>
<td>1,000.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CHEVRON CORP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>REC 31/11/18/2013 PAY QT 12/10/2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/16</td>
<td>DIVIDEND 400 shares @ 0.06</td>
<td>380.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>INTERNATIONAL BUSINESS MACHS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>REC 31/11/19/2013 PAY QT 12/10/2013</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
N. Realized Gain/Loss from Sales: Details the specific sales occurring during the statement period that resulted in a gain/loss to be realized by the account. Relevant details regarding each sale are also provided, including:

1. **Settle Date** – The date the transaction was completed, meaning the asset was received or delivered and payment was made or received.

2. **Trade Date** – The date the transaction was initiated, meaning the date that the asset was placed for purchase or sale.

3. **Units Sold** – The number of shares of stock, units of a fixed income holding or units of a collective or mutual fund holding sold.

4. **Tax Cost** – Generally, the total amount paid for the holding when the asset was purchased.

5. **Proceeds** – The net amount of cash received in exchange for the assets when sold.

6. **Short-Term Gain/Loss** – Generally, the difference between the proceeds received for the sale and the tax cost for assets held less than one year.

7. **Long-Term Gain/Loss** – Generally, the difference between the proceeds received for the sale and the tax cost for assets held longer than one year.

### Realized Gain/Loss from Sales

<table>
<thead>
<tr>
<th>Description</th>
<th>Settle Date</th>
<th>Trade Date</th>
<th>Units Sold</th>
<th>Proceeds</th>
<th>Tax Cost</th>
<th>Short Term Gain/Loss</th>
<th>Long Term Gain/Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT&amp;T INC</td>
<td>11/20/2013</td>
<td>11/15/2013</td>
<td>-260,000</td>
<td>7,023.87</td>
<td>-7,043.96</td>
<td>0.00</td>
<td>-20.11</td>
</tr>
<tr>
<td>XLONG GROUP PLC</td>
<td>11/20/2013</td>
<td>11/15/2013</td>
<td>-125,000</td>
<td>3,912.43</td>
<td>-2,292.46</td>
<td>0.00</td>
<td>1,709.95</td>
</tr>
</tbody>
</table>

**Total Realized Gain/Loss from Sales**

|                |            |            |            | $10,936.30 | $9,246.46 | $0.00 | $1,689.84 |

This is for informational purposes only and is not tax advice. Please see your tax advisor for tax advice.
Glossary of Terms

**Automatic Cash Investment:** The automatic, daily investment of all principal and income cash into a money market investment.

**Average Coupon:** The market value weighted average of all coupons on fixed income securities.

**Cash Equivalent:** Investments with a fixed market value that can be readily converted into cash. Money market investments are an example of cash equivalents.

**Estimated Annual Income:** An estimate of the income an account would earn over a period of 12 months, provided there were no changes in the holding positions or in the income rate of any holding.

**Income Assets:** Usually cash equivalent assets, which were produced by the collection of dividends and interest, generated by the principal assets.

**Market Value:** The current value of a holding as of the date of the statement, unless another date is specified on the statement.

**Net Realized Gain or Loss:** The actual tax gain or loss resulting from the sale of securities. This figure is the difference between sales proceeds and tax cost and is used for tax purposes.

**Par Value:** The face value of fixed income holdings.
**Principal Assets:** All holdings that make up an account’s capital including stocks, fixed income assets, cash equivalents, real estate, etc.

**Tax Cost:** The adjusted cost basis of an asset for tax purposes. Generally, the total amount paid for the holding when the asset was purchased. However, it may differ from the purchase price in the case of collective investments that make basis adjustments.

**Unit Price:** The market value per share/unit of a holding as of the statement date, unless another date of price is specified.

**Unrealized Gain or Loss:** The difference between the market value and tax cost of a holding.

**Year to Date (YTD):** The period of time extending from January 1st of the current year through the end of the current statement cycle.

**Yield on Market:** The estimated annual income of a holding expressed as a percentage of the current market value.

**Yield to Maturity:** The annualized rate of return that would be earned by purchasing a bond at the current market price and holding it to maturity. This calculation takes into consideration the coupon rate, the redemption payment at maturity, and any discount from or premium over face value.
INVESTMENT OPTIONS & PERFORMANCE

Andrew Zach - FEG
<table>
<thead>
<tr>
<th>ESTABLISHED</th>
<th>Founded in 1988</th>
</tr>
</thead>
<tbody>
<tr>
<td>OWNERSHIP STRUCTURE</td>
<td>100% employee-owned by 100% FEG employees</td>
</tr>
<tr>
<td>SIZE</td>
<td>FEG has $69.6B in assets under advisement&lt;sup&gt;1&lt;/sup&gt;</td>
</tr>
<tr>
<td>CLIENT BASE</td>
<td>Nonprofit clients represent 76% of FEG institutional client assets</td>
</tr>
<tr>
<td>LOCATIONS</td>
<td>Clients in 40 states; headquartered in Cincinnati with offices in Dallas and Indianapolis</td>
</tr>
<tr>
<td>SERVICES</td>
<td>Traditional Consulting, Outsourced Chief Investment Officer (OCIO), Hybrid Solutions, Research</td>
</tr>
</tbody>
</table>

<sup>1</sup> As of September 30, 2018, Assets under Advisement (AUA) include discretionary and non-discretionary assets of FEG and its affiliated entities. These assets are typically non-discretionary. Some asset values may not be readily available at the most recent quarter end, therefore the previous quarter’s values were used for this calculation. The values may be higher or lower, depending on the current market conditions. Of the $69bn AUA, FEG’s total assets under management (AUM) are $6.6bn which includes discretionary ($4.87bn) and non-discretionary AUM ($1.73bn).
Provide Fiduciary Oversight

- Establish investment strategy and asset allocation representative of the needs of the Portfolio
- Establish appropriate policies and guidelines (Investment Policy Statement) for investing the Portfolio’s assets
- Establish absolute and relative investment objectives for the total portfolio and its individual components
- Select appropriate investment managers
- Evaluate performance and services of the professionals retained
- Review USCCB* Social Guidelines
- Provide on-going monitoring of the entire Investment Program

*U.S. Council of Catholic Bishops.
Principles for USCCB* Investments:

Protecting Human Life
- Abortion
- Contraceptives
- Embryonic Stem Cell/Human Cloning

Promoting Human Dignity
- Human Rights
- Racial Discrimination
- Gender Discrimination
- Access to Pharmaceuticals (e.g. HIV/AIDS)
- Curbing Pornography

Reducing Arms Production
- Production and Sale of Weapons
- Antipersonnel Landmines

Pursuing Economic Justice
- Labor Standards/Sweatshops
- Affordable Housing / Banking

Protecting the Environment

Encouraging Corporate Responsibility

Source: *U.S. Council of Catholic Bishops.
FEG INVESTMENT PHILOSOPHY

The four tenets below are the underpinnings of FEG’s core investment philosophy and approach to investing.

- **Long-Term Perspective**
- **Valuation Considerations Drive Investment Decisions**
- **Diversification by Global Risk Factors**
- **Active Implementation**
### Pool and Benchmark Performance

**As of March 31, 2019**

<table>
<thead>
<tr>
<th></th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>7 Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggressive Pool</td>
<td>2.5</td>
<td>11.2</td>
<td>7.1</td>
<td>9.8</td>
</tr>
<tr>
<td>Balanced Benchmark</td>
<td>4.2</td>
<td>11.7</td>
<td>8.1</td>
<td>10.4</td>
</tr>
<tr>
<td>Long Term Pool</td>
<td>3.5</td>
<td>8.3</td>
<td>5.7</td>
<td>7.5</td>
</tr>
<tr>
<td>Balanced Benchmark</td>
<td>4.7</td>
<td>8.7</td>
<td>6.5</td>
<td>8.0</td>
</tr>
<tr>
<td>Balanced Pool</td>
<td>3.4</td>
<td>6.9</td>
<td>4.9</td>
<td>6.3</td>
</tr>
<tr>
<td>Balanced Benchmark</td>
<td>4.5</td>
<td>7.3</td>
<td>5.6</td>
<td>6.7</td>
</tr>
<tr>
<td>Fixed Income Pool</td>
<td>3.0</td>
<td>1.1</td>
<td>1.3</td>
<td>1.7</td>
</tr>
<tr>
<td>Balanced Benchmark</td>
<td>3.8</td>
<td>1.7</td>
<td>2.0</td>
<td>1.8</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
<td>9.5</td>
<td>13.5</td>
<td>10.9</td>
<td>12.8</td>
</tr>
<tr>
<td>Russell 2000 Index</td>
<td>2.0</td>
<td>12.9</td>
<td>7.1</td>
<td>10.7</td>
</tr>
<tr>
<td>MSCI EAFE Index</td>
<td>-3.5</td>
<td>7.3</td>
<td>2.3</td>
<td>5.6</td>
</tr>
<tr>
<td>MSCI Emerging Markets Index</td>
<td>-7.3</td>
<td>10.7</td>
<td>3.7</td>
<td>2.7</td>
</tr>
<tr>
<td>S&amp;P Developed BMI Property Index</td>
<td>11.4</td>
<td>5.7</td>
<td>6.5</td>
<td>7.8</td>
</tr>
<tr>
<td>Bloomberg Barclays US Aggregate Index</td>
<td>4.5</td>
<td>2.0</td>
<td>2.7</td>
<td>2.5</td>
</tr>
</tbody>
</table>
Short Term Pool - The Short Term Pool seeks capital preservation. The pool is invested entirely in a money market fund. The strategy will provide interest income under prevailing market conditions and rates. The Short Term Pool is an appropriate strategy for investors whose main focus is capital preservation.
Fixed Income Pool - The Fixed Income Pool seeks income with minimal capital appreciation. The strategy is invested in intermediate and long term fixed income. The strategy is appropriate for investors whose main focus is current income.
**Balanced Pool** - The Balanced Pool seeks moderate capital appreciation; current income is a secondary focus. The strategy asset allocation is 55% in equities and 45% in fixed income. The equity allocation is broadly diversified, offering domestic and international market exposure, investing in equities in developed and emerging markets. The equity exposure also includes an allocation to real estate investment trusts. The pool is designed for investors who seek moderate capital appreciation.
Long Term Pool - The Long Term Pool seeks capital appreciation. The asset allocation is 70% invested in equities and 30% in fixed income. The equity allocation is broadly diversified, offering domestic and international market exposure, investing in equities in developed and emerging markets. The equity exposure also includes an allocation to real estate investment trusts. The strategy is appropriate for investors seeking capital appreciation. The pool is designed for endowed funds and those with a long term time horizon.
Aggressive Growth Pool — The Aggressive Growth Pool seeks capital appreciation. The asset allocation is 100% invested in equities. The equity allocation is broadly diversified, offering domestic and international market exposure, investing in equities in developed and emerging markets. The equity exposure also includes an allocation to real estate investment trusts. The strategy is appropriate for investors that can tolerate the volatility of investing only in the public equity market. The pool is for long term endowed funds and those with a long term time horizon (over 10 years).
### AVERAGE EXPENSES VS. DOT POOL EXPENSES – FEG SURVEY/DATA

#### AVERAGE EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>In Basis Points</th>
<th>In Percent</th>
<th>Fee Per $1,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOT Aggressive Pool</td>
<td>60.0</td>
<td>0.60%</td>
<td>$6.0</td>
</tr>
<tr>
<td>DOT Long Term Pool</td>
<td>58.0</td>
<td>0.58%</td>
<td>$5.8</td>
</tr>
<tr>
<td>DOT Balanced Pool</td>
<td>57.0</td>
<td>0.57%</td>
<td>$5.7</td>
</tr>
<tr>
<td>DOT Fixed Income Pool</td>
<td>53.0</td>
<td>0.53%</td>
<td>$5.3</td>
</tr>
<tr>
<td><strong>Average Fee From Survey</strong></td>
<td><strong>79.0</strong></td>
<td><strong>0.79%</strong></td>
<td><strong>$7.9</strong></td>
</tr>
<tr>
<td><strong>Blended Mutual Fund Average</strong></td>
<td><strong>71.0</strong></td>
<td><strong>0.71%</strong></td>
<td><strong>$7.1</strong></td>
</tr>
</tbody>
</table>

Note: DOT fees are inclusive of the Advisor, mutual fund/manager, custodian/trustee, and administration.

6/26/2019
FEG OUTLOOK - RISK & RETURNS

FEG 7-10 Year Capital Market Assumptions

- Private Equity
- MLPs
- Emerging Markets
- Int'l Developed Large Cap
- Semi-liquid Hedged Strategies
- U.S. Equity
- Public Real Estate
- Core (Investment Grade)
- Global Hedged Equity
- High Yield
- Commodities
- U.S. Inflation
FEG CURRENT OUTLOOK

FEG’s current outlook on various asset categories is illustrated below.

<table>
<thead>
<tr>
<th>GLOBAL EQUITY</th>
<th>FIXED INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>U.S. Equity</td>
<td>Structured Credit</td>
</tr>
<tr>
<td></td>
<td>Interest Rate</td>
</tr>
<tr>
<td>-</td>
<td>Credit Sensitive</td>
</tr>
<tr>
<td>International Equity</td>
<td>Emerging Markets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REAL ASSETS</th>
<th>DIVERSIFYING STRATEGIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>MLPs / Energy</td>
<td>Macro</td>
</tr>
<tr>
<td>Real Estate</td>
<td>Event Driven</td>
</tr>
<tr>
<td>-</td>
<td>Relative Value</td>
</tr>
<tr>
<td>Commodities</td>
<td></td>
</tr>
</tbody>
</table>
MANAGEMENT CORPORATION ROLE

Phil Renda – Management Corporation
MANAGEMENT CORP ROLE

• Administrator of the Catholic Investment Trust
  o Trust Compliance
  o Governance and Advisory Committee Support

• Participant Support
  o New Account Setup Support
  o Charter/Endowment Document Support
  o Deposit and Withdraw Transaction Support
  o Compliance with Account Restrictions
    ▪ Designated and Restricted Accounts = Participant Responsibility
    ▪ Endowed Accounts = Trustee/Administrator Responsibility
• Investment Compliance and Performance Oversight
  o Diocese Investment Committee Support
  o USCCB Socially Responsible Investment Compliance
  o Investment Performance Review
    ▪ Passive vs Active Investment Approach
    ▪ Rebalancing
    ▪ USCCB Investment Options
OPTIONS FOR FUNDS

Deposit & Loan Trust

Parish/School Options for Funds

Catholic Investment Trust

Local Bank = 2-3 Months of Expense

Features:
• Security = Charitable Gift and separate account protections
• Prohibits Diocese access to funds
• Stable and short-term rate of return
• Withdrawal can occur in 2-5 days
• No withdrawal limits
• Investment Committee oversight
• SRI compliance
• Loan feature available only to depositors
• Emergency Fund for financially challenged parishes/schools
• Ideal for holding shorter-term funds (1-2 years)

Features:
• Security = Charitable Gift and formal sub-trust protections
• Prohibits Diocese access to funds
• Various investment pool options
• Withdrawal can occur monthly
• Investment Committee oversight
• SRI compliance
• Leverages investment advisor, custodial, trustee, and admin services and fees
• Ideal for holding longer-term funds (>1-2 years)
• Effective July 1, 2019, Foundation Master Trust will be amended and recast as the Catholic Investment Trust (a Legacy Trust structure)
• All funds in existing Foundation accounts will remain in place, and existing Account Owner sub-trust agreements remain in tact
• All accounts in the existing Foundation will be labeled into one of three account categories: General, Restricted, Designated - Subject to change by Account Owner
• All updated forms will be made available on the Diocesan website July 1, 2019
• There will be no interruption in ability to access accounts/funds
• Questions on future Account setup/deposit/withdrawal – Direct to Rene Schmidbauer rschmidbauer@toledodiocese.org (419-214-4942)
• Questions on Charter/Endowment documents – Direct to Tom Antonini tantonini@toledodiocese.org (419-214-4870)