

# Diocese of Toledo - Catholic Investment Trust

## Executive Summary of Investment Performance

December 31, 2019

**Aggressive Pool** – Exceeded its Balanced Benchmark during the quarter (8.6% vs. 8.5%) and over the trailing twelve months (27.6% vs. 27.0%). The Aggressive Pool's developed international equity manager contributed to relative returns, while the emerging markets manager detracted from returns.

**Long Term Pool** – Matched the Balanced Benchmark during the quarter (6.0% vs. 6.0%), but slightly trailed the index over the trailing twelve months (20.5% vs. 20.8%). The Long Term Pool's developed international equity manager contributed to relative returns, while the emerging markets manager detracted from returns.

**Balanced Pool** – Matched its Balanced Benchmark for the quarter (4.9% vs. 4.9%), but trailed the index over the trailing twelve months (16.8% vs. 17.8%). The Balanced Pool's developed international equity manager contributed to relative returns, while the emerging markets manager detracted from returns.

**Fixed Income Pool** – Trailed its Balanced Benchmark for the quarter (0.3% vs. 0.4%) and over the trailing twelve months (4.1% vs. 6.4%). The underperformance of the short term duration 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. Both World Asset and DFA underperformed their respective benchmarks during the quarter.

**World Asset Management** – During the quarter, the manager gained 8.4%, but trailed the performance of the S&P 500 Index (9.1%). An underweight position to the healthcare sector detracted from performance during the quarter.

**DFA U.S. Social Core Equity 2** – During the quarter, the manager rose 9.0%, but slightly trailed the performance of the Russell 3000 Index (9.1%). An underweight allocation to healthcare sector negatively impacted performance during the quarter.

## **International Equity**

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

**Christian Brothers International Equity** – Christian Brothers was added to the portfolio in December. Performance attribution will begin in the first quarter executive summary.

**DFA International Social Core Equity Fund** – During the quarter the fund gained 9.5% and exceeded the performance of the MSCI EAFE Index (8.2%). Overweight allocations to the industrials sector and materials sector, as well as an underweight allocation to the consumer staples sector benefitted performance during the quarter.

**DFA Emerging Markets Social Core** – During the quarter the fund rose 10.8%, but trailed the performance of the MSCI Emerging Markets Index (11.8%). An underweight allocation to the consumer discretionary sector, as well as an overweight allocation to the industrials sector negatively 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%, but trailed the performance of the ML 1-3Yr Govt/Corp Bond Index (0.6%). A lack of exposure to investment grade credit detracted from performance during the quarter.

**Christian Brothers Intermediate Bond Fund** – During the quarter, the fund rose 0.2% and matched the performance of the Bloomberg Barclays U.S. Aggregate Bond Index (0.2%). An overweight to investment grade corporate debt contributed to performance during the quarter. Exposure to commercial mortgage-backed securities negatively impacted relative returns.

## **Real Estate**

**DFA Global Real Estate** – During the quarter the fund gained 1.5%, but trailed the performance of the S&P Developed BMI Property Index (1.8%). An overweight allocation to U.S. REITs detracted performance during quarter.