

Diocese of Toledo - Catholic Investment Trust

Executive Summary of Investment Performance

September 30, 2020

Aggressive Pool – Exceeded its Balanced Benchmark during the quarter (7.5% vs. 6.7%) and over the trailing twelve months (7.0% vs. 5.8%). The Aggressive Pool's large cap equity manager and international equity portfolio contributed to returns during the quarter, while the real estate manager detracted from returns.

Long Term Pool – Exceeded the Balanced Benchmark during the quarter (5.7% vs. 4.9%) and over the trailing twelve months (7.2% vs. 6.4%). The Long Term Pool's large cap equity manager, international equity portfolio, and fixed income portfolio contributed to returns during the quarter, while the real estate manager detracted from returns.

Balanced Pool – Exceeded its Balanced Benchmark for the quarter (4.8% vs. 4.1%) and over the trailing twelve months (7.8% vs. 6.9%). The Balanced Pool's large cap equity manager, international equity portfolio, and fixed income portfolio contributed to returns during the quarter, while the real estate manager detracted from returns.

Fixed Income Pool – Exceeded its Balanced Benchmark for the quarter (0.9% vs. 0.4%), but trailed the index over the trailing twelve months (4.1% vs. 5.4%). The outperformance of the core fixed income manager benefitted performance, while the relative underperformance of the 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. World Asset outperformed the S&P 500 Index, while DFA underperformed the Russell 3000 Index during the quarter.

World Asset Management – During the quarter, the manager gained 9.3% and outperformed the performance of the S&P 500 Index (8.9%). Underweight exposure to the healthcare sector, as well as an overweight allocation to the information technology sector benefitted performance during the quarter.

DFA U.S. Social Core Equity 2 – During the quarter, the manager rose 7.6%, but trailed the performance of the Russell 3000 Index (9.2%). An overweight allocation to the financials sector detracted from performance during the quarter. In addition, the Fund's slight value-tilt further hampered relative returns.

International Equity

The international portfolio exceeded the MSCI AC World Index ex-US during the quarter. DFA International Social Core Equity Fund and CUIT International Equity Index exceeded their respective benchmarks, while DFA Emerging Markets Social Core Fund trailed the MSCI Emerging Markets Index.

Christian Brothers International Equity – Christian Brothers rose 7.8% for the quarter and outperformed the MSCI AC World Index ex-U.S. Index (6.3%). Overweight allocations to the information technology sector and consumer discretionary sector contributed to performance during the quarter.

DFA International Social Core Equity Fund – During the quarter the fund returned 6.8% and exceeded the performance of the MSCI EAFE Index (4.8%). Overweight allocations to the industrials sector, consumer discretionary sector, and materials sector contributed to performance during the quarter. An underweight allocation to the healthcare sector further enhanced relative returns.

DFA Emerging Markets Social Core – During the quarter the fund gained 8.4%, but trailed the performance of the MSCI Emerging Markets Index (9.6%). An underweight allocation to the consumer discretionary sector detracted from performance during the quarter. Stock selection in the consumer discretionary sector and energy sector further hampered relative returns.

Fixed Income

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

DFA Short-Term Government Portfolio – During the quarter the fund returned 0.0% and trailed the performance of the ML 1-3Yr Govt/Corp Bond Index (0.3%). A lack of exposure to investment grade corporate debt negatively impacted performance during the quarter.

Christian Brothers Intermediate Bond Fund – During the quarter, the fund rose 1.7% and outperformed the performance of the Bloomberg Barclays U.S. Aggregate Bond Index (0.6%). An overweight to investment grade corporate debt, as well as exposure to agency mortgage-backed securities contributed to performance during the quarter.

Real Estate

DFA Global Real Estate – During the quarter the fund gained 1.9%, but trailed the performance of the S&P Developed BMI Property Index (2.8%). An overweight allocation to U.S. REITs negatively impacted performance during the quarter.