

Diocese of Toledo - Catholic Investment Trust

Executive Summary of Investment Performance

September 30, 2019

Aggressive Pool – Exceeded its Balanced Benchmark during the quarter (0.6% vs. 0.1%), but matched the index over the trailing twelve months (0.5% vs. 0.5%). The Aggressive Pool's developed international equity manager detracted from relative returns, while the real estate manager and an overweight allocation to domestic large equity contributed to returns.

Long Term Pool – Exceeded the Balanced Benchmark during the quarter (0.8% vs. 0.7%), but trailed the index over the trailing twelve months (2.8% vs. 3.4%). The Long Term Pool's developed international equity manager and overweight to short term duration fixed income detracted from relative returns, while the real estate manager and an overweight allocation to domestic large equity contributed to returns.

Balanced Pool – Matched its Balanced Benchmark for the quarter (0.8% vs. 0.8%), but trailed the index over the trailing twelve months (3.2% vs. 4.2%). The Balanced Pool's developed international equity manager and overweight to short term duration fixed income detracted from relative returns, while the real estate manager and an overweight allocation to domestic large equity contributed to returns.

Fixed Income Pool – Trailed its Balanced Benchmark for the quarter (1.0% vs. 1.5%) and over the trailing twelve months (5.3% vs. 7.5%). An overweight allocation to the short term fixed income manager negatively impacted performance during the quarter.

Domestic All Cap Equity

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

World Asset Management – During the quarter, the manager gained 1.9% and exceeded the performance of the S&P 500 Index (1.7%). An underweight position to the healthcare sector and an overweight position to the information technology sector contributed to performance during the quarter.

DFA U.S. Social Core Equity 2 – During the quarter, the manager rose 0.8%, but trailed the performance of the Russell 3000 Index (1.2%). A slight overweight position to the energy sector negatively impacted performance during the quarter. A lack of exposure to real estate 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 exceeded its benchmark.

DFA International Social Core Equity Fund – During the quarter the fund declined 1.7% and trailed the performance of the MSCI EAFE Index (-1.1%). An overweight allocation to the materials sector, as well as an underweight allocation to the consumer staples sector negatively impacted performance during the quarter.

DFA Emerging Markets Social Core – During the quarter the fund fell 4.1%, but exceeded the performance of the MSCI Emerging Markets Index (-4.2%). A overweight allocation to the information technology sector benefitted performance during the quarter. An underweight allocation to the energy sector also added value to 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 0.5%, but trailed the performance of the ML 1-3Yr Govt/Corp Bond Index (0.7%). A lack of exposure to investment grade credit detracted from performance during the quarter. A shorter than benchmark duration further detracted from relative returns.

Christian Brothers Intermediate Bond Fund – During the quarter, the fund rose 2.4% and exceeded the performance of the Bloomberg Barclays U.S. Aggregate Bond Index (2.3%). An overweight to investment grade corporate debt contributed to performance during the quarter.

Real Estate

DFA Global Real Estate – During the quarter the fund gained 6.0% and exceeded the performance of the S&P Developed BMI Property Index (4.7%). An overweight allocation to U.S. REITs benefitted performance during quarter. Overall stock selection also added to relative returns.