

Diocese of Toledo - Catholic Foundation

Executive Summary of Investment Performance

December 31, 2018

Aggressive Pool – Trailed its Balanced Benchmark during the quarter (-14.5% vs. -14.1%) and over the trailing twelve months (-10.1% vs. -8.7%). The Aggressive Pool's all cap equity portfolio and international equity portfolio detracted from relative returns, while the real estate portfolio contributed to returns.

Long Term Pool – Trailed the Balanced Benchmark during the quarter (-9.6% vs. -9.3%) and over the trailing twelve months (-6.3% vs. -5.5%). The Long Term Pool's all cap equity portfolio and international equity portfolio detracted from relative returns, while the fixed income portfolio and real estate portfolio contributed to returns.

Balanced Pool – Matched its Balanced Benchmark for the quarter (-7.2% vs. -7.2%), but trailed the index over the trailing twelve months (-4.5% vs. -4.1%). The Long Term Pool's all cap equity portfolio and international equity portfolio detracted from relative returns, while the fixed income portfolio and real estate portfolio contributed to returns.

Fixed Income Pool – Exceeded its Balanced Benchmark for the quarter (1.5% vs. 1.4%) and over the trailing twelve months (0.9% vs. 0.8%). An overweight allocation to the short term fixed income manager benefitted 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 declined 14.2% and trailed the performance of the S&P 500 Index (-13.5%). Underweight positions to the healthcare sector and overweight positions to the information technology sector and energy sector negatively impacted performance during the quarter.

DFA U.S. Social Core Equity 2 – During the quarter, the manager fell 16.8% and trailed the performance of the Russell 3000 Index (-14.3%). Underweight positions to the healthcare sector and real estate sector detracted from performance during the quarter. An overweight position to the industrials 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 exceeded its benchmark.

DFA International Social Core Equity Fund – During the quarter the fund declined 15.2% and trailed the performance of the MSCI EAFE Index (-12.5%). Overweight allocations to the materials sector and industrials sector negatively impacted performance during the quarter. Underweight allocations to the health care sector and consumer staples sector further hampered relative returns.

DFA Emerging Markets Social Core – During the quarter the fund fell 6.4%, but outperformed the performance of the MSCI Emerging Markets Index (-7.5%). Overweight allocations to the industrials sector and consumer staples sector contributed to performance during the quarter. The funds value tilt also added value to 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 gained 1.5% and outperformed the performance of the ML 1-3Yr Govt/Corp Bond Index (1.2%). A lack of exposure to investment grade credit contributed to relative returns during the quarter.

Christian Brothers Intermediate Bond Fund – During the quarter, the fund was rose 1.4%, but trailed the performance of the Bloomberg Barclays U.S. Aggregate Bond Index (1.6%). An overweight to investment grade credit and shorter than benchmark duration negatively impacted performance during the quarter.

Real Estate

DFA Global Real Estate – During the quarter the fund fell 4.9%, but exceeded the performance of the S&P Developed BMI Property Index (-5.8%). Overall stock selection contributed to performance during the quarter.