

Diocese of Toledo - Catholic Foundation

Executive Summary of Investment Performance

March 31, 2017

Aggressive Pool – Trailed its Balanced Benchmark during the quarter (5.4% vs. 5.7%), but exceeded the index over the trailing twelve months (17.8% vs. 17.7%). The Aggressive Pool's domestic equity portfolio and real estate manager detracted from relative returns.

Long Term Pool – Slightly Trailed the Balanced Benchmark during the quarter (4.0% vs. 4.2%) and over the trailing twelve months (11.9% vs. 12.0%). The Long Term Pool's domestic equity portfolio and real estate manager detracted from performance.

Balanced Pool – Matched its Balanced Benchmark for the quarter (3.4% vs. 3.4%), but slightly trailed the index over the trailing twelve months (9.5% vs. 9.7%). The Balanced Pool's domestic equity portfolio and real estate manager detracted from performance during quarter, while the international equity composite contributed to performance.

Fixed Income Pool –Slightly Trailed its Balanced Benchmark for the quarter (0.5% vs. 0.6%) and over the trailing twelve months (0.2% vs. 0.6%). An overweight to the short term fixed income manager negatively impacted performance during the quarter.

Domestic All Cap Equity

The all cap equity composite trailed the Russell 3000 Index during the quarter. Both DFA and World Asset Management underperformed their respective benchmarks during the quarter.

World Asset Management – During the first quarter, the manager gained 5.9%, but trailed the performance of the S&P 500 Index (6.1%). Underweight positions in the health care sector negatively impacted performance during the quarter. Also, an overweight position to the financials sector further detracted relative returns.

DFA U.S. Social Core Equity 2 – During the quarter, the manager advanced 3.9%, but trailed the performance of the Russell 3000 Index (5.7%). Underweight positions in the health care sector negatively impacted performance during the quarter. Also, an overweight position to the financials sector further detracted relative returns.

International Equity

The international portfolio exceeded the MSCI AC World Index ex-US during the quarter. Both the DFA International Social Core Equity Fund and DFA Emerging Markets Social Core Fund outperformed their benchmarks.

DFA International Social Core Equity Fund – During the quarter the fund gained 7.4% and exceeded the performance of the MSCI EAFE Index (7.2%). Overweight positions to the industrials sector, information technology sector, and materials sector contributed to performance during the quarter.

DFA Emerging Markets Social Core – During the quarter the fund gained 13.9% and outperformed the MSCI Emerging Markets Index (11.4%). Overweight positions to the industrials sector and materials sector positively 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% and matched the performance of the ML 1-3Yr Govt/Corp Bond Index (0.4%). Lack of exposure to investment grade corporate debt negatively impacted performance during the quarter, while a longer than benchmark duration added to relative returns.

Christian Brothers Intermediate Bond Fund – During the quarter, the fund gained 0.8% and matched the performance of the Bloomberg Barclays U.S. Aggregate Bond Index (0.8%). An overweight to investment grade corporate debt contributed to performance during the quarter, while a shorter than benchmark duration detracted from relative returns.

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 (2.7%). An overweight position to retail REITs and an overweight allocation to U.S. REITs negatively impacted performance during the quarter.