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# Agency Pools Monthly Report

*for*

THE CATHOLIC FOUNDATION

**As of December 31, 2018**

# The Catholic Foundation Agency Pools – December 31, 2018

## Manager Performance Summary

| <u>Asset Class / Manager</u>                         | <u>December</u> | <u>4Q18</u> | <u>1Yr</u> | <u>3Yr</u> | <u>5Yr</u> |
|--|-----------------|-------------|------------|------------|------------|
| <i>Domestic Equity</i>                               |                 |             |            |            |            |
| Vanguard Total Stock Market Idx Adm                  | -9.3%           | -14.3%      | -5.2%      | 9.0%       | 7.9%       |
| S&P 500 Index  | -9.0%           | -13.5%      | -4.4%      | 9.3%       | 8.5%       |
| LCG Large Cap Core Universe Average                  | -8.8%           | -13.6%      | -6.6%      | 7.2%       | 6.2%       |
| <i>International Equity</i>                          |                 |             |            |            |            |
| Dodge & Cox International Stock                      | -6.7%           | -12.4%      | -18.0%     | 3.2%       | -0.5%      |
| Harding Loevner International Eq Instl               | -5.3%           | -13.5%      | -13.1%     | 2.8%       | 1.4%       |
| EAFE Index (in US Dollar (Net))                      | -4.9%           | -12.5%      | -13.8%     | 2.9%       | 0.5%       |
| LCG International Equity Universe Average            | -5.4%           | -13.5%      | -15.4%     | 2.4%       | 0.2%       |
| <i>Fixed Income</i>                                  |                 |             |            |            |            |
| Dodge & Cox Income                                   | 1.0%            | 0.3%        | -0.3%      | 3.2%       | 2.9%       |
| Western Asset Total Return Uncons I                  | 2.0%            | 0.9%        | -2.6%      | 3.4%       | 2.6%       |
| Barclays Aggregate Bond Index                        | 1.8%            | 1.6%        | 0.0%       | 2.1%       | 2.5%       |
| LCG Fixed Income-Core (Interm) Universe Average      | 1.0%            | 0.3%        | -0.9%      | 2.5%       | 2.3%       |
| <i>Cash &amp; Equivalents</i>                        |                 |             |            |            |            |
| Texas Capital Bank Money Market Account <sup>1</sup> | 0.2%            | 0.5%        | 1.7%       | 0.9%       | 0.5%       |
| T-Bills (90 Day) Index                               | 0.2%            | 0.6%        | 1.9%       | 1.0%       | 0.6%       |
| LCG Money Market Taxable Universe Average            | 0.2%            | 0.5%        | 1.5%       | 0.8%       | 0.5%       |

<sup>1</sup>Invesco Premier US Government Money Market

Note: Returns greater than one year are annualized. Past performance is no guarantee of future results. Performance shown is net of investment fees and has been backfilled with the managers' historical performance for illustrative purposes.

# The Catholic Foundation Agency Pools – December 31, 2018

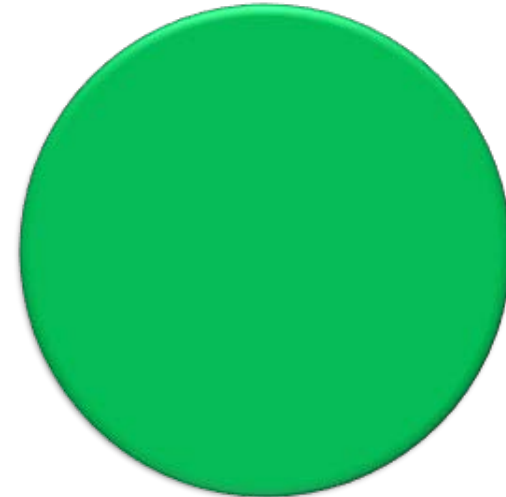
## Money Market Portfolio Performance

| Asset Class /<br>Manager      | Market   | Market  | Target | Calendar |      |      |      |      |      |
|-------------------------------|----------|---------|--------|----------|------|------|------|------|------|
|                               | Value    | Value % | %      | December | 4Q18 | YTD  | 1Yr  | 3Yr  | 5Yr  |
| Cash & Equivalents            | \$34,829 | 100.0%  | 100.0% | 0.2%     | 0.5% | 1.7% | 1.7% | 1.1% | --   |
| <i>T-Bills (90 Day) Index</i> |          |         |        | 0.2%     | 0.6% | 1.9% | 1.9% | 1.0% | 0.6% |
| Total Composite               | \$34,829 | 100.0%  | 100.0% | 0.2%     | 0.5% | 1.7% | 1.7% | 1.1% | --   |

Note: Returns greater than one year are annualized. Past performance is no guarantee of future results.

## Money Market Portfolio Current / (Target) Asset Allocation

Cash &  
Equivalents  
100.0%  
(100.0%)



## Monthly Market Commentary

Domestically, U.S. equity markets endured the worst month since 2008 and the worst December since the 1930s. Altogether, it wiped out all gains for the year and pushed most of the major indices into bear market territory. Economic concerns that had surfaced the previous month intensified in December, which drove markets lower. Total nonfarm payroll employment rose by 312,000 in December; the unemployment rate rose to 3.9%. Inflation, as measured by the Consumer Price Index declined 0.1 percent for the month. The U.S. Real GDP estimate for the 4<sup>th</sup> quarter of 2018 will be released January 30, 2019.

Developed International Equities were negative but outperformed U.S. equities over the month as ongoing U.S. trade tensions with China, rising short-term U.S. interest rates, and worries about slowing global growth weighed on investor sentiment. European stocks declined sharply amid slowing economic growth and continuing uncertainty over the UK's impending departure from the EU and Italy's standoff with the EU about its planned budget deficit. A worsening global trade dispute between the U.S. and China weighed heavily on Europe's trade-dependent economy.

The Money Market Portfolio returned +0.2% during December.

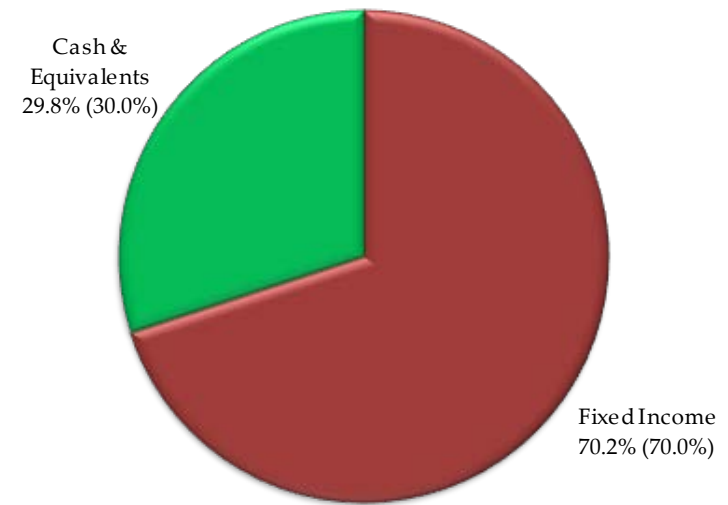
# The Catholic Foundation Agency Pools – December 31, 2018

## Ultra Conservative Portfolio Performance

| Asset Class /<br>Manager              | Market<br>Value    | Market<br>Value % | Target<br>%   | Calendar    |             |              |              |             |           |
|---------------------------------------|--------------------|-------------------|---------------|-------------|-------------|--------------|--------------|-------------|-----------|
|                                       |                    |                   |               | December    | 4Q18        | YTD          | 1Yr          | 3Yr         | 5Yr       |
| Fixed Income                          | \$977,732          | 70.2%             | 70.0%         | 1.5%        | 0.6%        | -1.6%        | -1.6%        | 3.3%        | --        |
| <i>BloomBarc Aggregate Bond Index</i> |                    |                   |               | 1.8%        | 1.6%        | 0.0%         | 0.0%         | 2.1%        | 2.5%      |
| Cash & Equivalents                    | \$415,857          | 29.8%             | 30.0%         | 0.2%        | 0.5%        | 1.7%         | 1.7%         | 1.1%        | --        |
| <i>T-Bills (90 Day) Index</i>         |                    |                   |               | 0.2%        | 0.6%        | 1.9%         | 1.9%         | 1.0%        | 0.6%      |
| <b>Total Composite</b>                | <b>\$1,393,589</b> | <b>100.0%</b>     | <b>100.0%</b> | <b>1.1%</b> | <b>0.6%</b> | <b>-0.7%</b> | <b>-0.7%</b> | <b>2.6%</b> | <b>--</b> |

Note: Returns greater than one year are annualized. Past performance is no guarantee of future results.

## Ultra Conservative Portfolio Current / (Target) Asset Allocation



## Monthly Market Commentary

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The Ultra Conservative Portfolio's Fixed Income allocation gained +1.5% in December, underperforming its benchmark by 30 bps.

The Cash & Equivalents composite returned +0.2% during the month.

The Total Composite returned +1.1% in December.

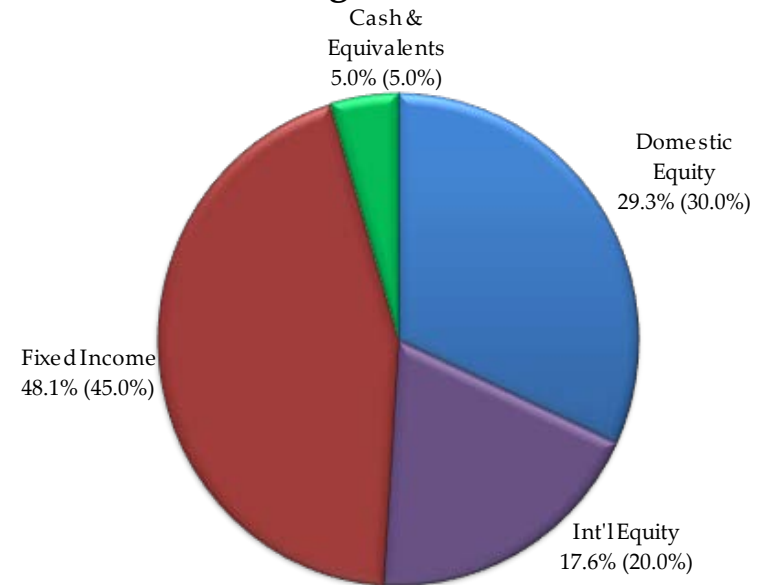
# The Catholic Foundation Agency Pools – December 31, 2018

## Balanced Portfolio Performance

| Asset Class /<br>Manager              | Market<br>Value | Market<br>Value % | Target<br>% | Calendar |        |        |        |      |      |
|---------------------------------------|-----------------|-------------------|-------------|----------|--------|--------|--------|------|------|
|                                       |                 |                   |             | December | 4Q18   | YTD    | 1Yr    | 3Yr  | 5Yr  |
| Domestic Equity                       | \$1,878,619     | 29.3%             | 30.0%       | -9.3%    | -14.3% | -5.2%  | -5.2%  | 9.0% | --   |
| <i>S&amp;P 500 Index</i>              |                 |                   |             | -9.0%    | -13.5% | -4.4%  | -4.4%  | 9.3% | 8.5% |
| International Equity                  | \$1,130,772     | 17.6%             | 20.0%       | -6.0%    | -13.8% | -16.0% | -16.0% | 4.6% | --   |
| <i>EAFE Index (in US Dollar NET)</i>  |                 |                   |             | -4.9%    | -12.5% | -13.8% | -13.8% | 2.9% | 0.5% |
| Total Equity                          | \$3,009,391     | 46.9%             | 50.0%       | -8.1%    | -14.1% | -9.5%  | -9.5%  | 7.3% | --   |
| Fixed Income                          | \$3,076,758     | 48.1%             | 45.0%       | 1.6%     | 0.7%   | -1.4%  | -1.4%  | 3.4% | --   |
| <i>BloomBarc Aggregate Bond Index</i> |                 |                   |             | 1.8%     | 1.6%   | 0.0%   | 0.0%   | 2.1% | 2.5% |
| Cash & Equivalents                    | \$320,862       | 5.0%              | 5.0%        | 0.2%     | 0.5%   | 1.7%   | 1.7%   | 1.1% | --   |
| <i>T-Bills (90 Day) Index</i>         |                 |                   |             | 0.2%     | 0.6%   | 1.9%   | 1.9%   | 1.0% | 0.6% |
| Total Composite                       | \$6,407,011     | 100.0%            | 100.0%      | -3.3%    | -6.9%  | -5.3%  | -5.3%  | 5.3% | --   |

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## Balanced Portfolio Current / (Target) Asset Allocation



## Monthly Market Commentary

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The Domestic Equity composite returned -9.3% in December, underperforming its benchmark by 30 bps.

The International Equity allocation underperformed the benchmark during the month (-6.0% vs. -4.9%).

The Balanced Portfolio's Fixed Income allocation returned +1.6% in December, underperforming its benchmark by 20 bps.

The Cash & Equivalents composite returned +0.2% during the month.

The Total Composite returned -3.3% in December.

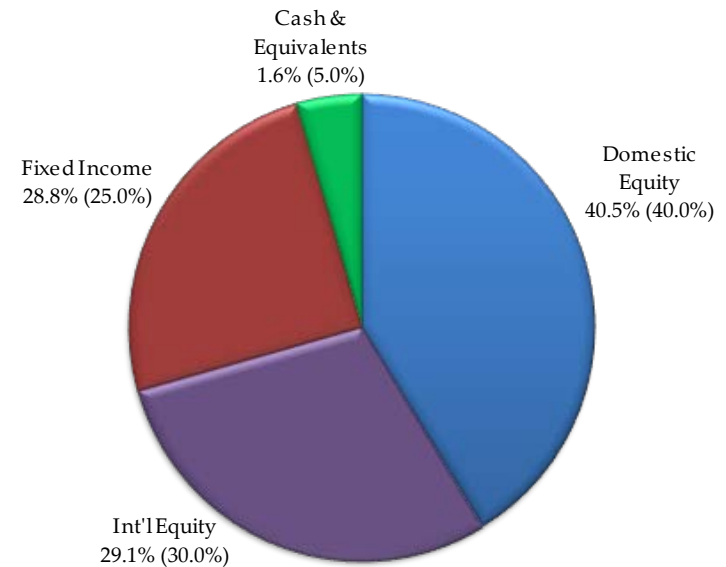
# The Catholic Foundation Agency Pools – December 31, 2018

## Growth Portfolio Performance

| Asset Class /<br>Manager              | Market<br>Value | Market<br>Value % | Target<br>% | Calendar |        |        |        |      |      |
|---------------------------------------|-----------------|-------------------|-------------|----------|--------|--------|--------|------|------|
|                                       |                 |                   |             | December | 4Q18   | YTD    | 1Yr    | 3Yr  | 5Yr  |
| Domestic Equity                       | \$1,907,318     | 40.5%             | 40.0%       | -9.3%    | -14.3% | -5.2%  | -5.2%  | 8.2% | --   |
| <i>S&amp;P 500 Index</i>              |                 |                   |             | -9.0%    | -13.5% | -4.4%  | -4.4%  | 9.3% | 8.5% |
| International Equity                  | \$1,372,193     | 29.1%             | 30.0%       | -6.0%    | -13.7% | -16.0% | -16.0% | 4.5% | --   |
| <i>EAFE Index (in US Dollar NET)</i>  |                 |                   |             | -4.9%    | -12.5% | -13.8% | -13.8% | 2.9% | 0.5% |
| Total Equity                          | \$3,279,511     | 69.6%             | 70.0%       | -8.0%    | -14.0% | -9.9%  | -9.9%  | 6.6% | --   |
| Fixed Income                          | \$1,361,486     | 28.8%             | 25.0%       | 1.5%     | 0.6%   | -1.5%  | -1.5%  | 3.3% | --   |
| <i>BloomBarc Aggregate Bond Index</i> |                 |                   |             | 1.8%     | 1.6%   | 0.0%   | 0.0%   | 2.1% | 2.5% |
| Cash & Equivalents                    | \$73,401        | 1.6%              | 5.0%        | 0.2%     | 0.5%   | 1.7%   | 1.7%   | 1.1% | --   |
| <i>T-Bills (90 Day) Index</i>         |                 |                   |             | 0.2%     | 0.6%   | 1.9%   | 1.9%   | 1.0% | 0.6% |
| Total Composite                       | \$4,714,398     | 100.0%            | 100.0%      | -5.3%    | -10.0% | -7.3%  | -7.3%  | 5.8% | --   |

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