

# The Catholic Foundation Monthly Report – February 28, 2018

## Manager Performance Summary

<u>Asset Class / Manager</u>	<u>February</u>	<u>YTD</u>	<u>1Yr</u>	<u>3Yr</u>	<u>5Yr</u>
<i>Domestic Equity</i>					
Vanguard Total Stock Market Idx Adm	-3.7%	1.4%	16.3%	10.6%	14.4%
<i>S&amp;P 500 Index</i>	-3.7%	1.8%	17.1%	11.1%	14.7%
<i>LCG Large Cap Core Universe Average</i>	-3.9%	1.2%	15.4%	8.7%	12.6%
<i>International Equity</i>					
Dodge & Cox International Stock	-5.4%	0.7%	18.2%	4.5%	8.0%
Harding Loevner International Eq Instl	-4.2%	0.9%	23.4%	8.6%	8.5%
<i>EAFE Index (in US Dollar (Net))</i>	-4.5%	0.3%	20.1%	5.7%	7.1%
<i>LCG International Equity Universe Average</i>	-4.9%	0.2%	20.7%	5.9%	6.9%
<i>Fixed Income</i>					
Dodge & Cox Income	-0.7%	-1.1%	2.1%	2.4%	2.8%
Western Asset Total Return Uncons I	-1.5%	-1.2%	5.2%	3.8%	3.0%
<i>Barclays Aggregate Bond Index</i>	-1.0%	-2.1%	0.5%	1.1%	1.7%
<i>LCG Fixed Income-Core (Interm) Universe Average</i>	-0.9%	-1.6%	1.3%	1.6%	2.0%
<i>Cash &amp; Equivalents</i>					
Texas Capital Bank Money Market Account	0.1%	0.2%	1.1%	--	--
<i>T-Bills (90 Day) Index</i>	0.1%	0.2%	1.0%	0.4%	0.3%
<i>LCG Money Market Taxable Universe Average</i>	0.1%	0.5%	0.7%	0.3%	0.2%

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.

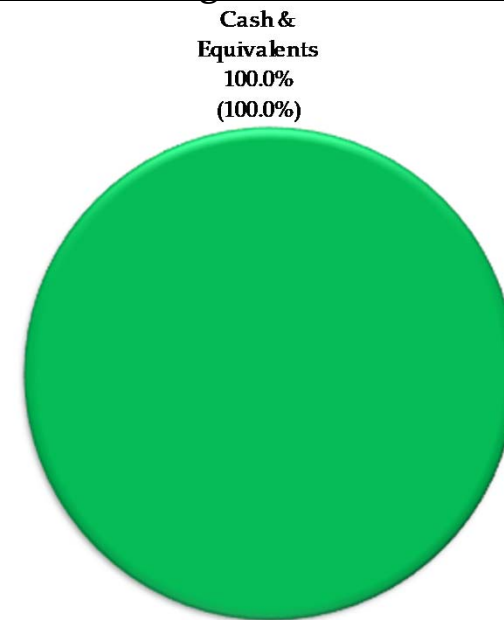
# The Catholic Foundation Monthly Report – February 28, 2018

## Money Market Portfolio Performance

Asset Class / Manager	Market	Market	Target	Calendar				
	Value	Value %	%	Feb.	YTD	1Yr	3Yr	5Yr
Cash & Equivalents	\$44,552	100.0%	100.0%	0.1%	0.2%	1.1%	--	--
<i>T-Bills (90 Day) Index</i>				0.1%	0.2%	1.0%	0.4%	0.3%
<b>Total Composite</b>	<b>\$44,552</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>1.1%</b>	<b>--</b>	<b>--</b>

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

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



## Monthly Market Commentary

Domestically, U.S. equities posted negative results for the first time since June of last year as volatility roared back into the market place. This was driven by U.S wage data which created fear that inflation had finally picked up and the Federal Reserve would raise interest rates faster than previously expected. Total nonfarm payroll employment rose 313,000 in February; the unemployment rate was unchanged at 4.1%. Inflation, as measured by the Consumer Price Index was positive for the month. For the fourth quarter, the U.S. Real GDP estimate released by the Bureau of Economic Analysis was revised downwards, increasing at an annual rate of 2.5%.

International equities were also negative during February as increased volatility spread globally. The Bank of England sent a notably more hawkish signal, suggesting interest rates would need to rise “somewhat earlier and by a somewhat greater extent”. Within the Eurozone, health care stocks posted the steepest decline. Developed international and emerging markets contracted by 4.5% and 4.6%, respectively.

The Money Market Portfolio returned +0.1% during February.

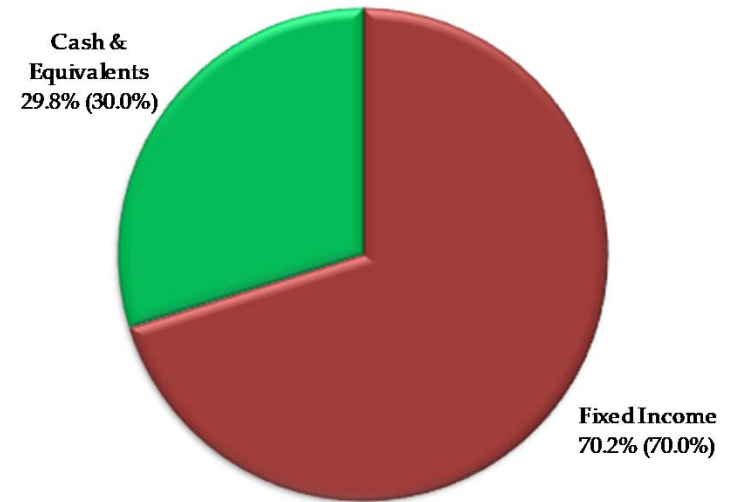
# The Catholic Foundation Monthly Report – February 28, 2018

## Ultra Conservative Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Calendar				
				Feb.	YTD	1Yr	3Yr	5Yr
Fixed Income	\$1,033,634	70.2%	70.0%	-1.3%	-1.3%	3.5%	--	--
<i>BloomBarc Aggregate Bond Index</i>				-0.9%	-2.1%	0.5%	1.1%	1.7%
Cash & Equivalents	\$439,081	29.8%	30.0%	0.1%	0.2%	1.1%	--	--
<i>T-Bills (90 Day) Index</i>				0.1%	0.2%	1.0%	0.4%	0.3%
Total Composite	\$1,472,715	100.0%	100.0%	-0.9%	-0.8%	2.8%	--	--

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



## Monthly Market Commentary

Domestically, U.S. equities posted negative results for the first time since June of last year as volatility roared back into the market place. This was driven by U.S wage data which created fear that inflation had finally picked up and the Federal Reserve would raise interest rates faster than previously expected. Total nonfarm payroll employment rose 313,000 in February; the unemployment rate was unchanged at 4.1%. Inflation, as measured by the Consumer Price Index was positive for the month. For the fourth quarter, the U.S. Real GDP estimate released by the Bureau of Economic Analysis was revised downwards, increasing at an annual rate of 2.5%.

International equities were also negative during February as increased volatility spread globally. The Bank of England sent a notably more hawkish signal, suggesting interest rates would need to rise “somewhat earlier and by a somewhat greater extent”. Within the Eurozone, health care stocks posted the steepest decline. Developed international and emerging markets contracted by 4.5% and 4.6%, respectively.

The Ultra Conservative Portfolio’s Fixed Income allocation fell 130 bps in February, underperforming its benchmark by 40 bps.

The Cash & Equivalents composite returned +0.1% during the month.

The Total Composite lost 90 bps in February.

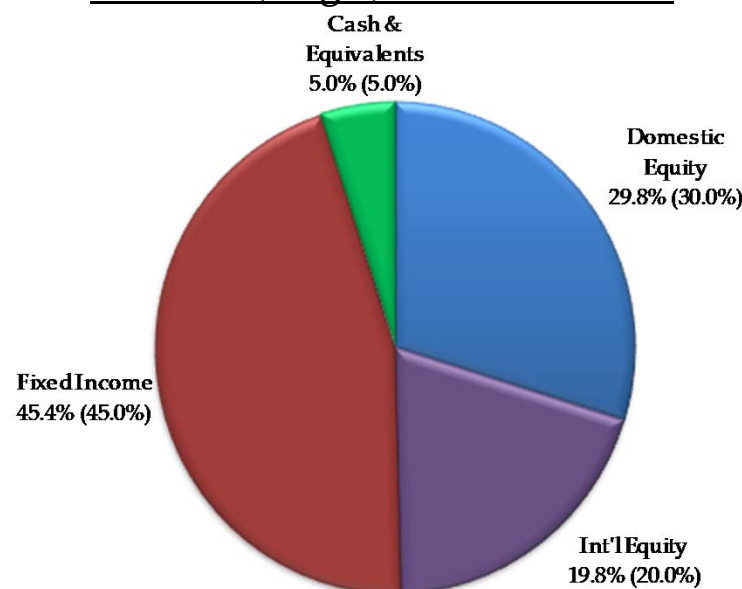
# The Catholic Foundation Monthly Report – February 28, 2018

## Balanced Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Calendar				
				Feb.	YTD	1Yr	3Yr	5Yr
Domestic Equity	\$2,045,328	29.8%	30.0%	-3.7%	1.4%	16.2%	--	--
<i>S&amp;P 500 Index</i>				-3.7%	1.8%	17.1%	11.1%	14.7%
International Equity	\$1,356,414	19.8%	20.0%	-4.8%	0.8%	20.8%	--	--
<i>EAFE Index (in US Dollar NET)</i>				-4.5%	0.3%	20.1%	5.7%	7.1%
Fixed Income	\$3,115,250	45.4%	45.0%	-1.1%	-1.1%	3.6%	--	--
<i>BloomBarc Aggregate Bond Index</i>				-0.9%	-2.1%	0.5%	1.1%	1.7%
Cash & Equivalents	\$345,962	5.0%	5.0%	0.1%	0.2%	1.1%	--	--
<i>T-Bills (90 Day) Index</i>				0.1%	0.2%	1.0%	0.4%	0.3%
<b>Total Composite</b>	<b>\$6,862,954</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-2.6%</b>	<b>0.0%</b>	<b>10.6%</b>	<b>--</b>	<b>--</b>

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## Balanced Portfolio Current / (Target) Asset Allocation



## Monthly Market Commentary

Domestically, U.S. equities posted negative results for the first time since June of last year as volatility roared back into the market place. This was driven by U.S wage data which created fear that inflation had finally picked up and the Federal Reserve would raise interest rates faster than previously expected. Total nonfarm payroll employment rose 313,000 in February; the unemployment rate was unchanged at 4.1%. Inflation, as measured by the Consumer Price Index was positive for the month. For the fourth quarter, the U.S. Real GDP estimate released by the Bureau of Economic Analysis was revised downwards, increasing at an annual rate of 2.5%.

International equities were also negative during February as increased volatility spread globally. The Bank of England sent a notably more hawkish signal, suggesting interest rates would need to rise “somewhat earlier and by a somewhat greater extent”. Within the Eurozone, health care stocks posted the steepest decline. Developed international and emerging markets contracted by 4.5% and 4.6%, respectively.

The Domestic Equity composite performed in line with its benchmark during February (-3.7%).

The International Equity allocation underperformed its benchmark during the month (-4.8% vs. -4.5%).

The Balanced Portfolio’s Fixed Income allocation fell 110 bps in February, underperforming its benchmark by 20 bps.

The Cash & Equivalents composite returned +0.1% during the month.

The Total Composite lost 260 bps during February, driven by the International and Domestic Equity allocations.

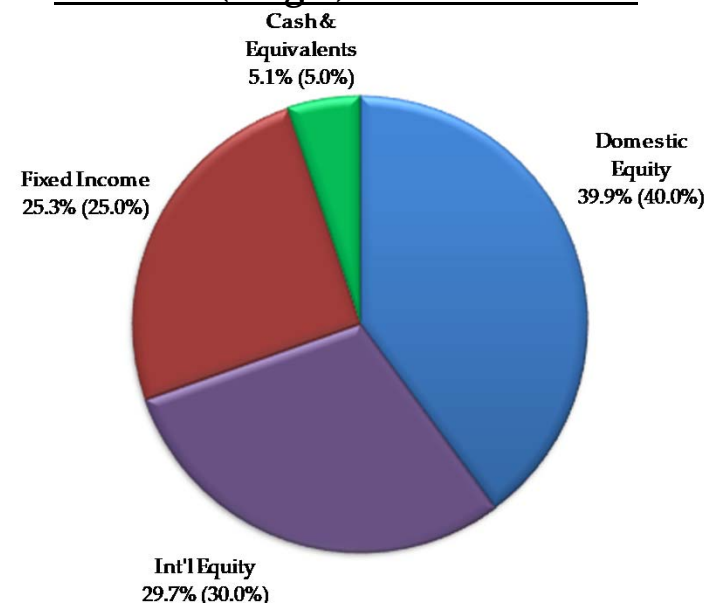
# The Catholic Foundation Monthly Report – February 28, 2018

## Growth Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Calendar				
				Feb.	YTD	1Yr	3Yr	5Yr
Domestic Equity <i>S&amp;P 500 Index</i>	\$2,192,687	39.9%	40.0%	-3.7%	1.4%	16.2%	--	--
				-3.7%	1.8%	17.1%	11.1%	14.7%
International Equity <i>EAFE Index (in US Dollar NET)</i>	\$1,635,390	29.7%	30.0%	-4.8%	0.8%	20.7%	--	--
				-4.5%	0.3%	20.1%	5.7%	7.1%
Fixed Income <i>BloomBarc Aggregate Bond Index</i>	\$1,390,579	25.3%	25.0%	-1.1%	-1.1%	3.7%	--	--
				-0.9%	-2.1%	0.5%	1.1%	1.7%
Cash & Equivalents <i>T-Bills (90 Day) Index</i>	\$277,912	5.1%	5.0%	0.1%	0.2%	1.1%	--	--
				0.1%	0.2%	1.0%	0.4%	0.3%
<b>Total Composite</b>	<b>\$5,496,568</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-3.4%</b>	<b>0.5%</b>	<b>13.9%</b>	<b>--</b>	<b>--</b>

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## Growth Portfolio Current / (Target) Asset Allocation



## Monthly Market Commentary

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The Domestic Equity composite performed in line with its benchmark during February (-3.7%).

The International Equity allocation underperformed its benchmark during the month (-4.8% vs. -4.5%).

The Growth Portfolio’s Fixed Income allocation fell 110 bps in February, underperforming its benchmark by 20 bps.

The Cash & Equivalents composite returned +0.1% during the month.

The Total Composite lost 340 bps during February, driven by the International and Domestic Equity allocations.