

The Catholic Foundation Monthly Report – December 31, 2016

Manager Performance Summary

<u>Asset Class / Manager</u>	<u>December</u>	<u>4Q16</u>	<u>1Yr</u>	<u>3Yr</u>	<u>5Yr</u>
<i>Domestic Equity</i>					
Vanguard Total Stock Market Idx Adm	1.9%	4.1%	12.7%	8.4%	14.6%
<i>S&P 500 Index</i>	2.0%	3.8%	12.0%	8.9%	14.7%
<i>LCG Large Cap Core Universe Average</i>	1.6%	3.4%	9.6%	6.3%	12.7%
<i>International Equity</i>					
Dodge & Cox International Stock	2.5%	3.4%	8.3%	-1.3%	8.0%
Harding Loevner International Eq Instl	1.9%	-4.5%	5.3%	0.6%	6.9%
<i>EAFE Index (in US Dollar (Net))</i>	3.4%	-0.7%	1.0%	-1.6%	6.5%
<i>LCG International Equity Universe Average</i>	2.1%	-2.2%	1.1%	-1.8%	6.0%
<i>Fixed Income</i>					
Dodge & Cox Income	0.6%	-1.2%	5.6%	3.5%	3.8%
Western Asset Total Return Uncons I	1.0%	1.5%	5.6%	2.8%	3.4%
<i>Barclays Aggregate Bond Index</i>	0.1%	-3.0%	2.6%	3.0%	2.2%
<i>LCG Fixed Income-Core (Interm) Universe Average</i>	0.4%	-2.1%	4.2%	2.8%	2.9%
<i>Cash & Equivalents</i>					
Texas Capital Bank Money Market Account	0.0%	0.1%	0.5%	--	--
<i>T-Bills (90 Day) Index</i>	0.0%	0.1%	0.3%	0.1%	0.1%
<i>LCG Money Market Taxable Universe Average</i>	0.0%	0.1%	0.1%	0.1%	0.0%

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.

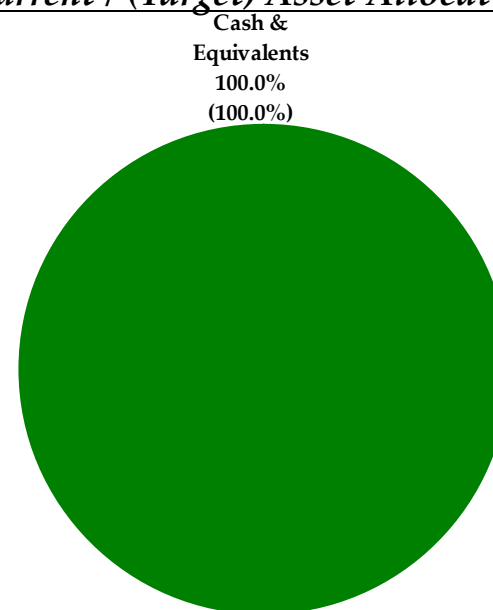
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Money Market Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Dec.	4Q16	1Yr	3Yr	5Yr
Cash & Equivalents	\$390,200	100.0%	100.0%	0.0%	0.1%	0.5%	--	--
<i>T-Bills (90 Day) Index</i>				0.0%	0.1%	0.3%	0.1%	0.1%
Total Composite	\$390,200	100.0%	100.0%	0.0%	0.1%	0.5%	--	--

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, the Federal Reserve increased interest rates by twenty-five basis points in December, signaling that the domestic economy is strong enough to withstand gradual interest rate increases. Economic news was positive during the month, as the Conference Board Consumer Confidence Index reached its highest level since 2001. Additionally, domestic companies posted noticeable earnings growth, as the S&P 500 Index saw year-over-year earnings growth of 3.2%.

Outside the U.S., concerns over the Italian banking crisis and slowing growth in China caused pause amongst investors. For Developed International markets, the MSCI EAFE Index generated a 3.4% return during December, leaving its fourth quarter return at -0.7%. The MSCI Emerging Markets Index posted a modest 0.3% gain for December but still remained down for the quarter (-4.1%).

The Money Market Portfolio was flat (0.0%) during December.

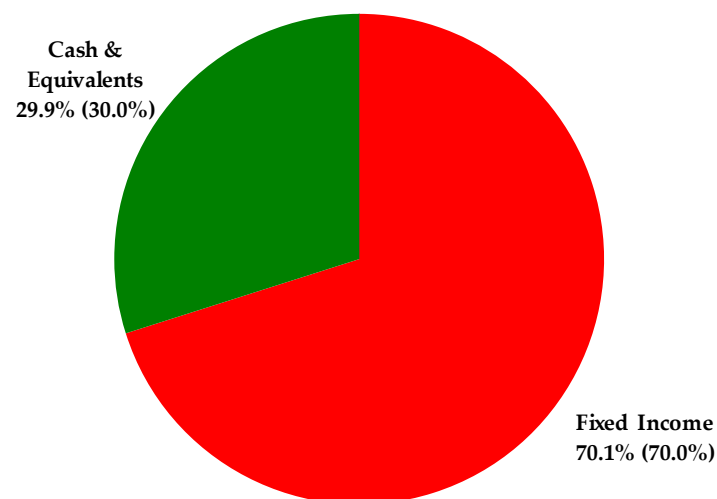
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Ultra Conservative Portfolio Performance

Asset Class / Manager	Market	Market	Target					
	Value	Value %	%	Dec.	4Q16	1Yr	3Yr	5Yr
Fixed Income	\$62,228	70.1%	70.0%	0.8%	0.1%	5.6%	--	--
<i>Bloomberg Barclays Aggregate Bond Index</i>				0.1%	-3.0%	2.6%	3.0%	2.2%
Cash & Equivalents	\$26,562	29.9%	30.0%	0.0%	0.1%	0.5%	--	--
<i>T-Bills (90 Day) Index</i>				0.0%	0.1%	0.3%	0.1%	0.1%
Total Composite	\$88,790	100.0%	100.0%	0.6%	0.1%	4.1%	--	--

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Ultra Conservative Portfolio Current / (Target) Asset Allocation



Monthly Market Commentary

Domestically, the Federal Reserve increased interest rates by twenty-five basis points in December, signaling that the domestic economy is strong enough to withstand gradual interest rate increases. Economic news was positive during the month, as the Conference Board Consumer Confidence Index reached its highest level since 2001. Additionally, domestic companies posted noticeable earnings growth, as the S&P 500 Index saw year-over-year earnings growth of 3.2%.

Outside the U.S., concerns over the Italian banking crisis and slowing growth in China caused pause amongst investors. For Developed International markets, the MSCI EAFE Index generated a 3.4% return during December, leaving its fourth quarter return at -0.7%. The MSCI Emerging Markets Index posted a modest 0.3% gain for December but still remained down for the quarter (-4.1%).

The Ultra Conservative Portfolio's Fixed Income allocation led its benchmark (+0.8% vs. +0.1%) during December.

The Cash & Equivalents composite remained flat during the month (0.0%).

The Total Composite returned +0.6% during December, driven by the Fixed Income allocation.

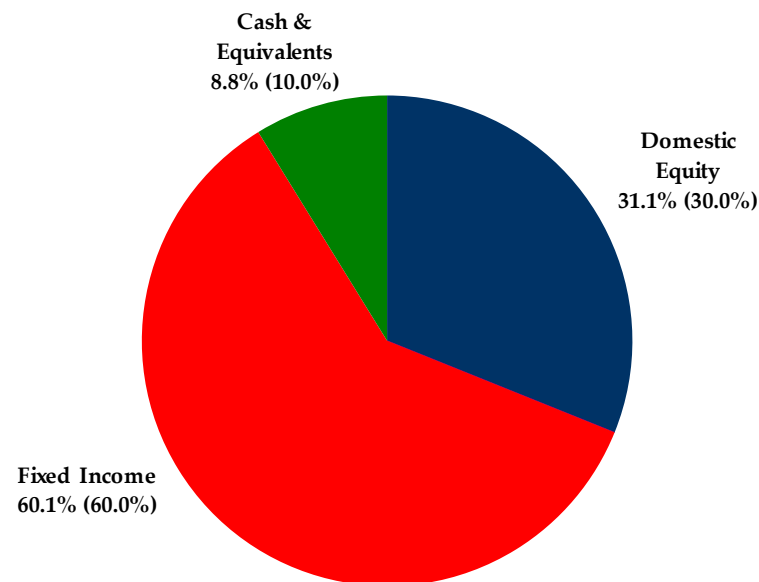
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Conservative Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Dec.	4Q16	1Yr	3Yr	5Yr
Domestic Equity	\$2,919,572	31.1%	30.0%	1.9%	4.1%	12.7%	--	--
<i>S&P 500 Index</i>				2.0%	3.8%	12.0%	8.9%	14.7%
Fixed Income	\$5,639,094	60.1%	60.0%	0.8%	0.1%	5.6%	--	--
<i>Bloomberg Barclays Aggregate Bond Index</i>				0.1%	-3.0%	2.6%	3.0%	2.2%
Cash & Equivalents	\$828,415	8.8%	10.0%	0.0%	0.1%	0.5%	--	--
<i>T-Bills (90 Day) Index</i>				0.0%	0.1%	0.3%	0.1%	0.1%
Total Composite	\$9,387,081	100.0%	100.0%	1.1%	1.3%	7.4%	--	--

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Conservative Portfolio Current / (Target) Asset Allocation



Monthly Market Commentary

Domestically, the Federal Reserve increased interest rates by twenty-five basis points in December, signaling that the domestic economy is strong enough to withstand gradual interest rate increases. Economic news was positive during the month, as the Conference Board Consumer Confidence Index reached its highest level since 2001. Additionally, domestic companies posted noticeable earnings growth, as the S&P 500 Index saw year-over-year earnings growth of 3.2%.

Outside the U.S., concerns over the Italian banking crisis and slowing growth in China caused pause amongst investors. For Developed International markets, the MSCI EAFE Index generated a 3.4% return during December, leaving its fourth quarter return at -0.7%. The MSCI Emerging Markets Index posted a modest 0.3% gain for December but still remained down for the quarter (-4.1%).

The Domestic Equity composite performed roughly in line with its benchmark during December (+1.9% vs. +2.0%).

The Conservative Portfolio's Fixed Income allocation led its benchmark (+0.8% vs. +0.1%) during December.

The Cash & Equivalents composite remained flat during the month (0.0%).

The Total Composite returned +1.1% during December, driven by the Domestic Equity allocation.

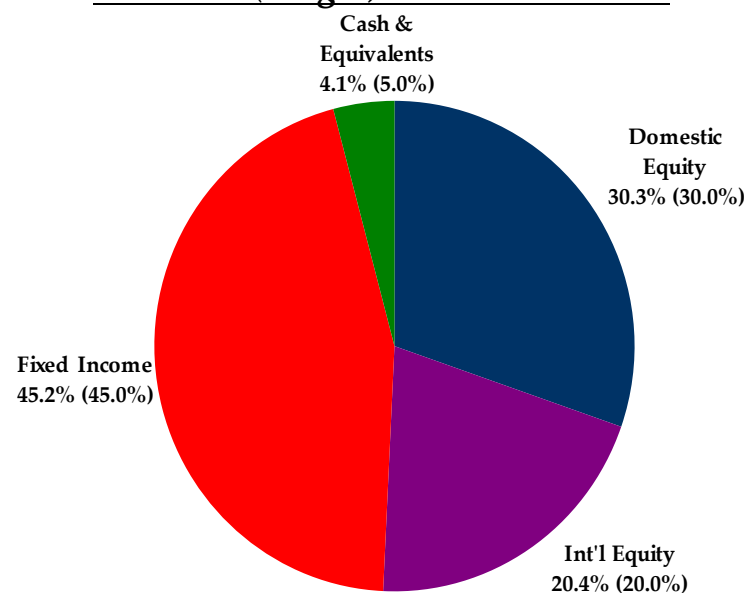
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Balanced Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Dec.	4Q16	1Yr	3Yr	5Yr
Domestic Equity <i>S&P 500 Index</i>	\$2,072,178	30.3%	30.0%	1.9%	4.1%	12.7%	--	--
				2.0%	3.8%	12.0%	8.9%	14.7%
International Equity <i>EAFE Index (in US Dollar NET)</i>	\$1,394,975	20.4%	20.0%	2.2%	-0.6%	6.9%	--	--
				3.4%	-0.7%	1.0%	-1.6%	6.5%
Fixed Income <i>Bloomberg Barclays Aggregate Bond Index</i>	\$3,083,553	45.2%	45.0%	0.8%	0.1%	5.6%	--	--
				0.1%	-3.0%	2.6%	3.0%	2.2%
Cash & Equivalents <i>T-Bills (90 Day) Index</i>	\$279,515	4.1%	5.0%	0.1%	0.1%	0.5%	--	--
				0.0%	0.1%	0.3%	0.1%	0.1%
Total Composite	\$6,830,221	100.0%	100.0%	1.4%	1.2%	7.8%	--	--

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

Balanced Portfolio Current / (Target) Asset Allocation



Monthly Market Commentary

Domestically, the Federal Reserve increased interest rates by twenty-five basis points in December, signaling that the domestic economy is strong enough to withstand gradual interest rate increases. Economic news was positive during the month, as the Conference Board Consumer Confidence Index reached its highest level since 2001. Additionally, domestic companies posted noticeable earnings growth, as the S&P 500 Index saw year-over-year earnings growth of 3.2%.

Outside the U.S., concerns over the Italian banking crisis and slowing growth in China caused pause amongst investors. For Developed International markets, the MSCI EAFE Index generated a 3.4% return during December, leaving its fourth quarter return at -0.7%. The MSCI Emerging Markets Index posted a modest 0.3% gain for December but still remained down for the quarter (-4.1%).

The Domestic Equity composite performed roughly in line with its benchmark during December (+1.9% vs. +2.0%).

The International Equity allocation slightly lagged its benchmark during the month (+2.2% vs. +3.4%).

The Balanced Portfolio's Fixed Income allocation led its benchmark (+0.8% vs. +0.1%) during December.

The Cash & Equivalents composite remained roughly flat during the month (+0.1%).

The Total Composite returned +1.4% during December, driven by the Domestic and International Equity allocations.

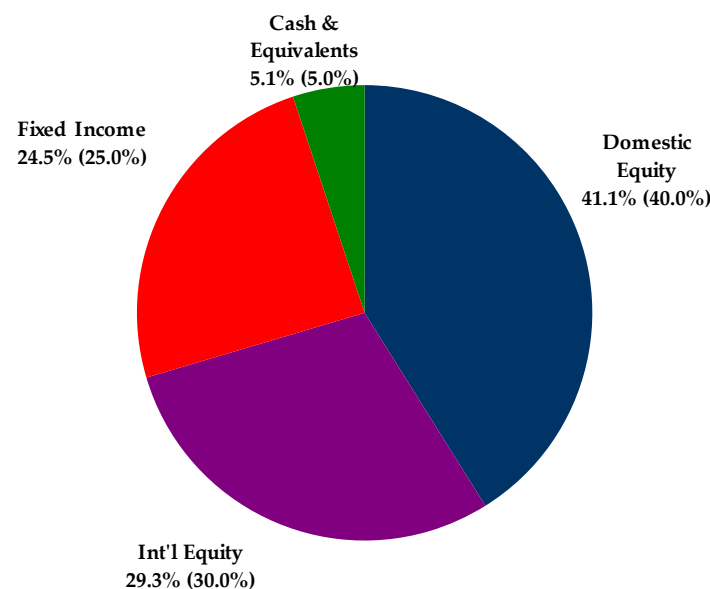
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Growth Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Returns				
				Dec.	4Q16	1Yr	3Yr	5Yr
Domestic Equity <i>S&P 500 Index</i>	\$12,534,193	41.1%	40.0%	1.9%	4.1%	11.3%	--	--
				2.0%	3.8%	12.0%	8.9%	14.7%
International Equity <i>EAFE Index (in US Dollar NET)</i>	\$8,993,284	29.3%	30.0%	2.2%	-0.6%	6.9%	--	--
				3.4%	-0.7%	1.0%	-1.6%	6.5%
Fixed Income <i>Bloomberg Barclays Aggregate Bond Index</i>	\$7,523,791	24.5%	25.0%	0.8%	0.1%	5.6%	--	--
				0.1%	-3.0%	2.6%	3.0%	2.2%
Cash & Equivalents <i>T-Bills (90 Day) Index</i>	\$1,574,515	5.1%	5.0%	0.0%	0.1%	0.5%	--	--
				0.0%	0.1%	0.3%	0.1%	0.1%
Total Composite	\$30,625,783	100.0%	100.0%	1.6%	1.5%	8.2%	--	--

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

Growth Portfolio Current / (Target) Asset Allocation



Monthly Market Commentary

Domestically, the Federal Reserve increased interest rates by twenty-five basis points in December, signaling that the domestic economy is strong enough to withstand gradual interest rate increases. Economic news was positive during the month, as the Conference Board Consumer Confidence Index reached its highest level since 2001. Additionally, domestic companies posted noticeable earnings growth, as the S&P 500 Index saw year-over-year earnings growth of 3.2%.

Outside the U.S., concerns over the Italian banking crisis and slowing growth in China caused pause amongst investors. For Developed International markets, the MSCI EAFE Index generated a 3.4% return during December, leaving its fourth quarter return at -0.7%. The MSCI Emerging Markets Index posted a modest 0.3% gain for December but still remained down for the quarter (-4.1%).

The Domestic Equity composite performed roughly in line with its benchmark during December (+1.9% vs. +2.0%).

The International Equity allocation slightly lagged its benchmark during the month (+2.2% vs. +3.4%).

The Growth Portfolio's Fixed Income allocation led its benchmark (+0.8% vs. +0.1%) during December.

The Cash & Equivalents composite remained flat during the month (0.0%).

The Total Composite returned +1.6% during December, driven by the Domestic and International Equity allocations.