

# 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&amp;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 &amp; 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.

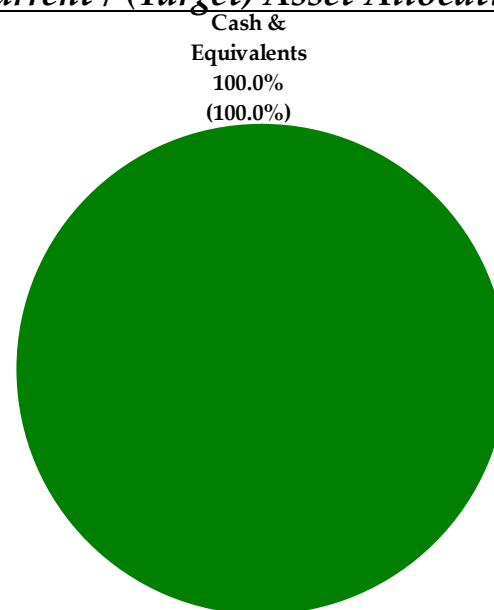
# The Catholic Foundation Monthly Report – December 31, 2016

## Money Market Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Dec.	4Q16	1Yr	3Yr	5Yr
Cash & Equivalents	\$529,624	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%
<b>Total Composite</b>	<b>\$529,624</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.5%</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, 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.

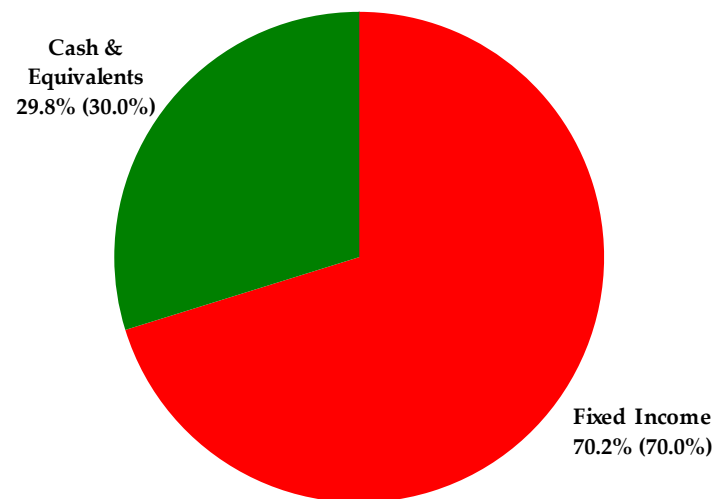
# The Catholic Foundation Monthly Report – December 31, 2016

## Ultra Conservative Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Target				
				Dec.	4Q16	1Yr	3Yr	5Yr
<b>Fixed Income</b>	\$1,451,237	70.2%	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%
<b>Cash &amp; Equivalents</b>	\$616,377	29.8%	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%
<b>Total Composite</b>	\$2,067,614	100.0%	100.0%	0.6%	0.0%	4.0%	--	--

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

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.

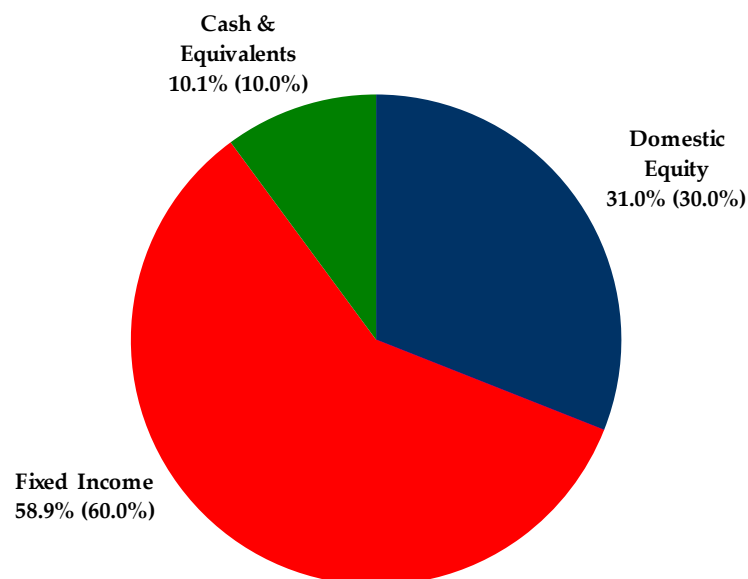
# The Catholic Foundation Monthly Report – December 31, 2016

## Conservative Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Target				
				Dec	4Q16	1Yr	3Yr	5Yr
Domestic Equity	\$259,800	31.0%	30.0%	1.9%	4.1%	12.7%	--	--
<i>S&amp;P 500 Index</i>				2.0%	3.8%	12.0%	8.9%	14.7%
Fixed Income	\$493,932	58.9%	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	\$84,830	10.1%	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	\$838,562	100.0%	100.0%	1.1%	1.3%	7.0%	--	--

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

## 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.

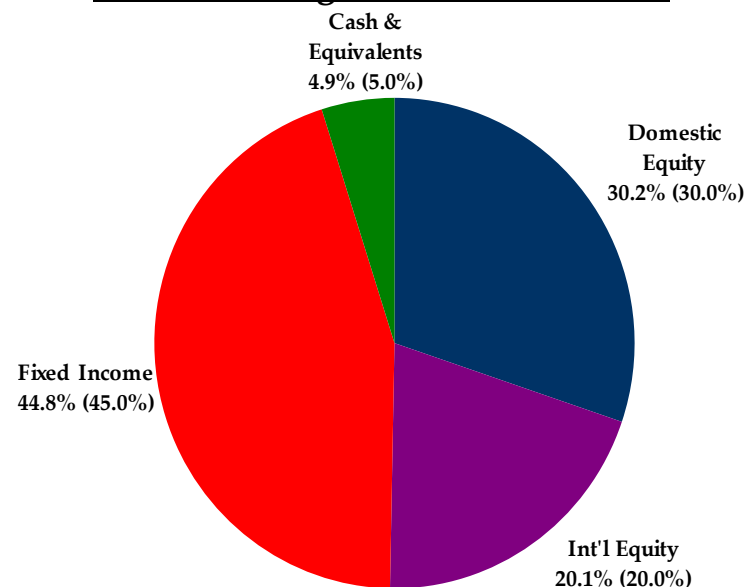
# The Catholic Foundation Monthly Report – December 31, 2016

## Balanced Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Dec.	4Q16	1Yr	3Yr	5Yr
Domestic Equity	\$1,184,756	30.2%	30.0%	1.9%	4.1%	12.7%	--	--
<i>S&amp;P 500 Index</i>				2.0%	3.8%	12.0%	8.9%	14.7%
International Equity	\$791,660	20.1%	20.0%	2.2%	-0.6%	7.2%	--	--
<i>EAFE Index (in US Dollar NET)</i>				3.4%	-0.7%	1.0%	-1.6%	6.5%
Fixed Income	\$1,758,998	44.8%	45.0%	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	\$193,510	4.9%	5.0%	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	\$3,928,924	100.0%	100.0%	1.4%	1.2%	7.7%	--	--

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 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 flat during the month (0.0%).

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

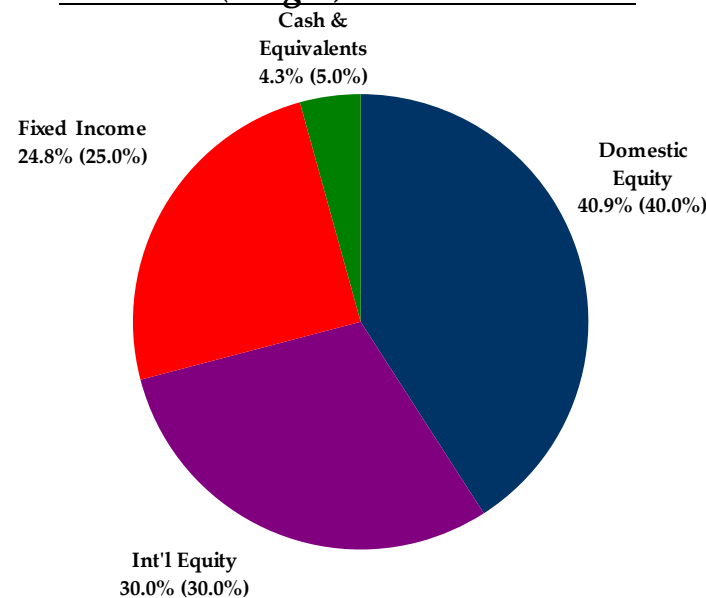
# The Catholic Foundation Monthly Report – December 31, 2016

## Growth Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Returns				
				Dec	4Q16	1Yr	3Yr	5Yr
<b>Domestic Equity</b>	\$1,830,866	40.9%	40.0%	1.9%	4.1%	10.1%	--	--
<i>S&amp;P 500 Index</i>				2.0%	3.8%	12.0%	8.9%	14.7%
<b>International Equity</b>	\$1,342,582	30.0%	30.0%	2.2%	-0.6%	6.9%	--	--
<i>EAFE Index (in US Dollar NET)</i>				3.4%	-0.7%	1.0%	-1.6%	6.5%
<b>Fixed Income</b>	\$1,105,252	24.8%	25.0%	0.8%	0.1%	5.6%	--	--
<i>Bloomberg Barclays Aggregate Bond Index</i>				0.1%	-3.0%	2.6%	3.0%	2.2%
<b>Cash &amp; Equivalents</b>	\$190,501	4.3%	5.0%	0.0%	0.1%	0.5%	--	--
<i>T-Bills (90 Day) Index</i>				0.0%	0.1%	0.3%	0.1%	0.1%
<b>Total Composite</b>	\$4,469,201	100.0%	100.0%	1.6%	1.5%	7.9%	--	--

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 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.