

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&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 & 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.

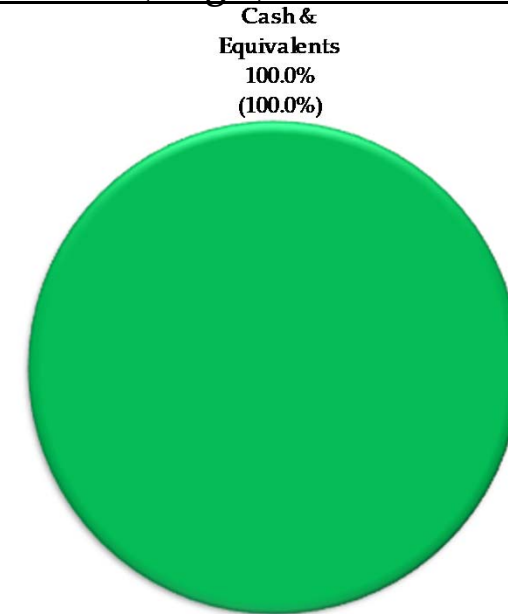
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Money Market Portfolio Performance

Asset Class / Manager	Market	Market	Target	Calendar				
	Value	Value %	%	Feb.	YTD	1Yr	3Yr	5Yr
Cash & Equivalents	\$415,098	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%
Total Composite	\$415,098	100.0%	100.0%	0.1%	0.2%	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



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.

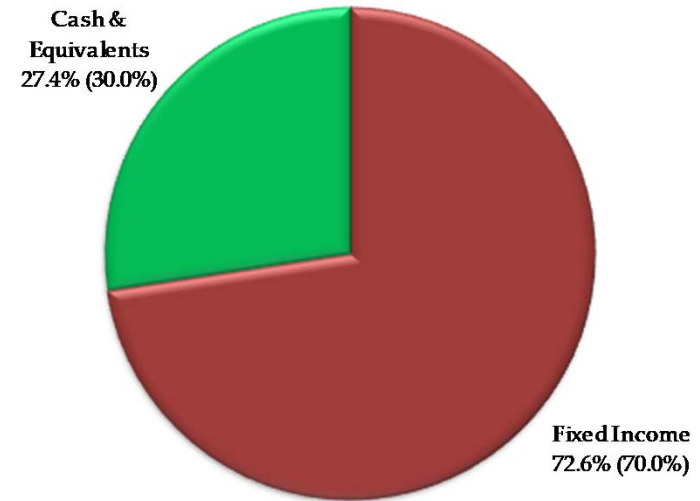
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Ultra Conservative Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Calendar				
				Feb.	YTD	1Yr	3Yr	5Yr
Fixed Income	\$67,220	72.6%	70.0%	-1.1%	-1.1%	3.6%	--	--
<i>BloomBarc Aggregate Bond Index</i>				-0.9%	-2.1%	0.5%	1.1%	1.7%
Cash & Equivalents	\$25,374	27.4%	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	\$92,594	100.0%	100.0%	-0.8%	-0.8%	2.9%	--	--

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, 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 Ultra Conservative 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 80 bps in February.

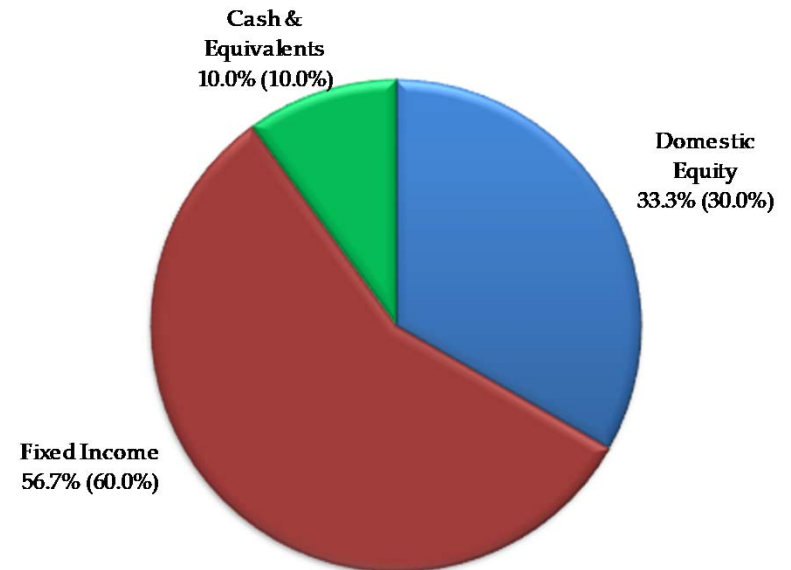
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Conservative Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Calendar				
				Feb.	YTD	1Yr	3Yr	5Yr
Domestic Equity	\$3,481,898	33.3%	30.0%	-3.7%	1.4%	16.2%	--	--
<i>S&P 500 Index</i>				-3.7%	1.8%	17.1%	11.1%	14.7%
Fixed Income	\$5,930,808	56.7%	60.0%	-1.1%	-1.1%	3.6%	--	--
<i>BloomBarc Aggregate Bond Index</i>				-0.9%	-2.1%	0.5%	1.1%	1.7%
Cash & Equivalents	\$1,048,319	10.0%	10.0%	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	\$10,461,025	100.0%	100.0%	-1.9%	-0.2%	7.3%	--	--

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, 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 it’s benchmark during February (-3.7%).

The Conservative Portfolio’s Fixed Income allocation fell 110 bps during the month, underperforming its benchmark by 20 bps.

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

The Total Composite lost 190 bps during February, driven by the Domestic Equity allocation.

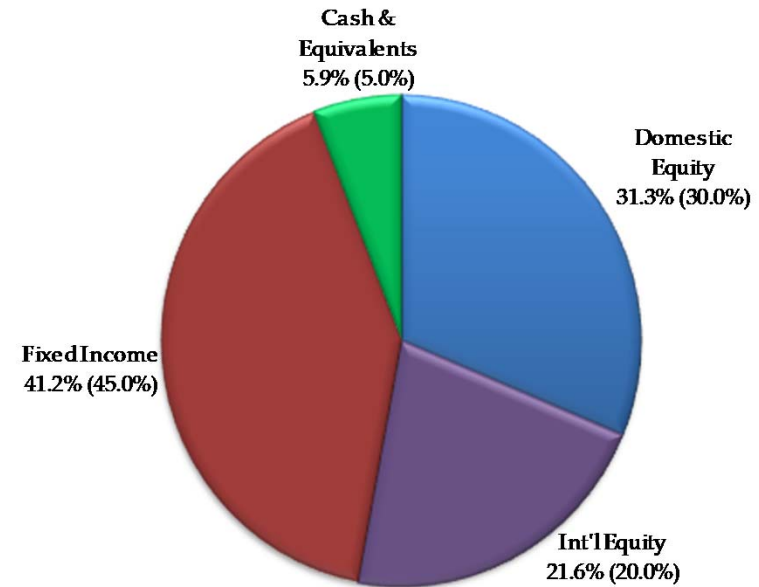
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Balanced Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Calendar				
				Feb.	YTD	1Yr	3Yr	5Yr
Domestic Equity	\$2,595,970	31.3%	30.0%	-3.7%	1.4%	16.2%	--	--
<i>S&P 500 Index</i>				-3.7%	1.8%	17.1%	11.1%	14.7%
International Equity	\$1,784,360	21.6%	20.0%	-4.8%	0.8%	20.7%	--	--
<i>EAFE Index (in US Dollar NET)</i>				-4.5%	0.3%	20.1%	5.7%	7.1%
Fixed Income	\$3,411,702	41.2%	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	\$488,635	5.9%	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%
Total Composite	\$8,280,667	100.0%	100.0%	-2.7%	0.2%	11.0%	--	--

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, 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 270 bps during February, driven by the International and Domestic Equity allocations.

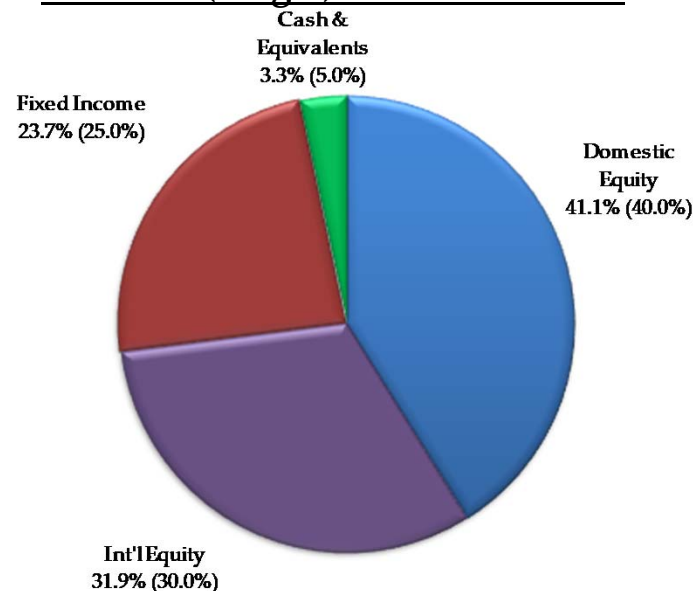
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Growth Portfolio Performance

Asset Class / Manager	Market Value	Market Value %	Target %	Calendar				
				Feb.	YTD	1Yr	3Yr	5Yr
Domestic Equity	\$15,722,072	41.1%	40.0%	-3.7%	1.4%	16.2%	--	--
<i>S&P 500 Index</i>				-3.7%	1.8%	17.1%	11.1%	14.7%
International Equity	\$12,172,926	31.9%	30.0%	-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	\$9,075,481	23.7%	25.0%	-1.1%	-1.1%	3.6%	--	--
<i>BloomBarc Aggregate Bond Index</i>				-0.9%	-2.1%	0.5%	1.1%	1.7%
Cash & Equivalents	\$1,255,362	3.3%	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%
Total Composite	\$38,225,841	100.0%	100.0%	-3.3%	0.6%	14.0%	--	--

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, 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%.

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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 330 bps during February, driven by the International and Domestic Equity allocations.