



Roman Catholic Foundation of EASTERN MISSOURI

Quarterly Investment Report

Our Mission

Inspiring giving and connecting donors to Catholic ministries, sustaining the local Church for generations.

Our Investment Philosophy

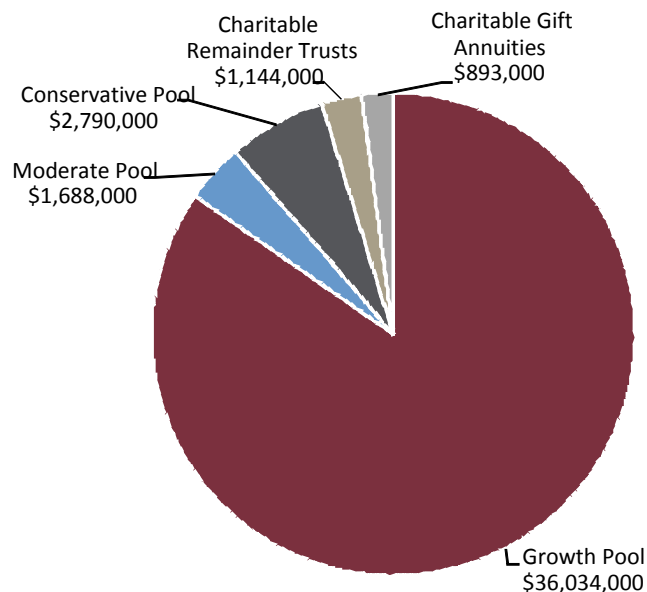
The Roman Catholic Foundation of Eastern Missouri offers world-class, Catholic-screened investment options to help donors achieve their charitable goals and to help Parishes, Schools, and Ministries of the Archdiocese of St. Louis meet their long-term financial needs.

We believe in responsible stewardship and seek a competitive financial return in a manner consistent with social teachings of the Catholic Church.

We invest in a well-diversified mix of risk-appropriate assets to achieve a rate of return that will support the Foundation's distribution rate schedule while protecting assets from inflation and market volatility. All investments are screened in accordance with the Socially Responsible Investment Guidelines set forth by the United States Conference of Catholic Bishops.

Assets Under Management

\$42,549,000 as of June 30, 2019



Better Business
Bureau Accredited

Growth Pool

Inception Date December 1, 2014

Pool Overview

Fund Assets Under Management
\$36.0 million

Objective

Capital appreciation consistent with Catholic values.

Annual Investment Management Costs

Investment management costs are 0.60%. For Foundation management fee please see the fee schedule provided by the Foundation at <https://rcfstl.org/frequently-asked-questions>.

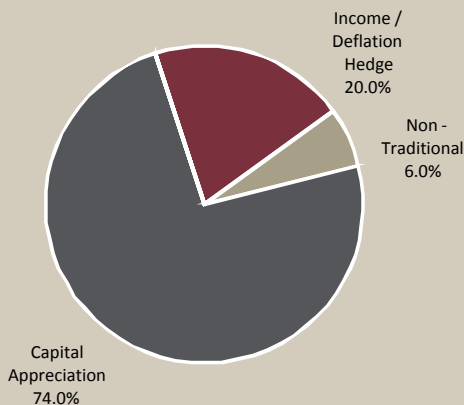
About Performance

The investment results depicted herein represent historical net performance after the deduction of investment management costs.

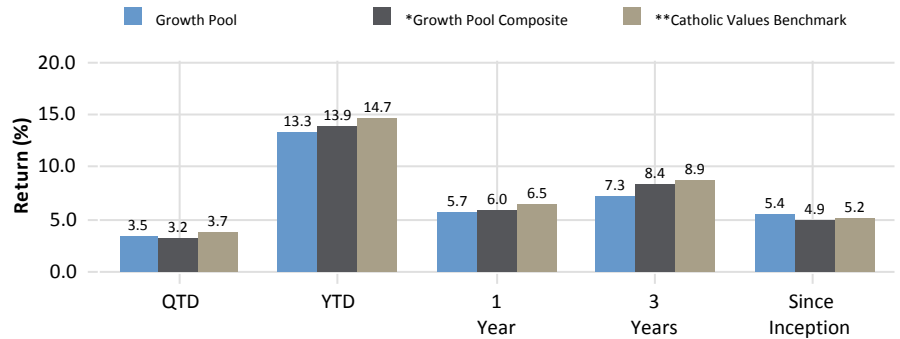
Annual, cumulative and annualized total returns are calculated assuming reinvestment of dividends and income plus capital appreciation. Performance for periods greater than one year is annualized. The performance data presented has been prepared by Graystone Consulting.

Past performance is not a guarantee of future results.

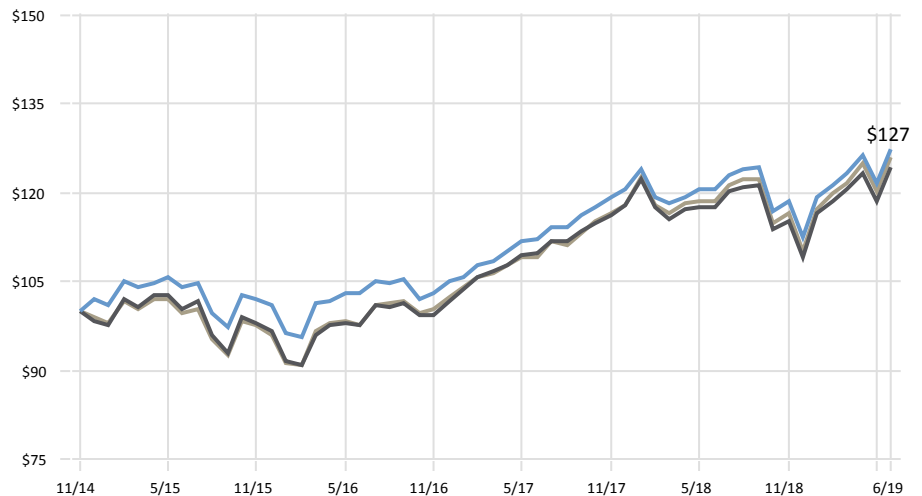
Target Asset Allocation



Multi-Period Performance Analysis



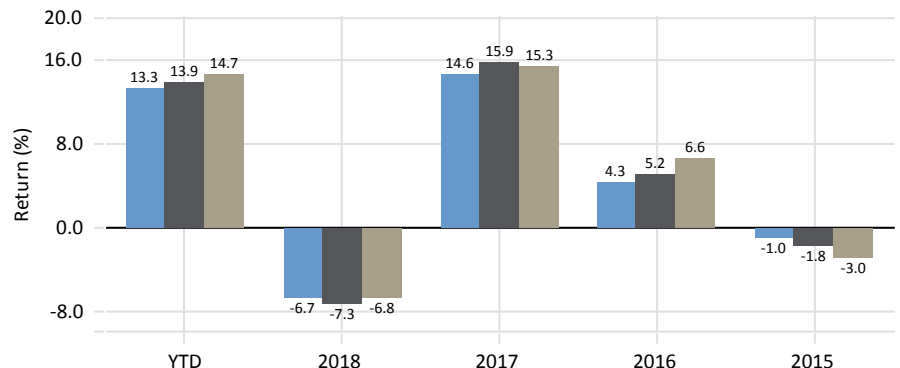
Growth of \$100



Since Inception Risk Statistics

	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
Growth Pool	8.81	0.54	-9.57	0.76	0.89
*Growth Pool Composite	9.68	0.45	-11.57	-0.30	1.00
**Catholic Values Benchmark	9.59	0.48	-10.91	0.00	1.00

Calendar YOY Performance Analysis



* and ** See Important Disclosures on page 5



Roman Catholic Foundation
of
EASTERN MISSOURI

Roman Catholic Foundation
of Eastern Missouri
12 Archbishop May Drive
Saint Louis, MO 63119
314.918.2890
www.rcfstl.org
info@rcfstl.org

Moderate Pool

Inception Date December 1, 2017

Pool Overview

Fund Assets Under Management
\$1.7 million

Objective

Balance of capital appreciation and income consistent with Catholic values.

Annual Investment Management Costs

Investment management costs are 0.56%. For Foundation management fee please see the fee schedule provided by the Foundation at <https://rcfstl.org/frequently-asked-questions>.

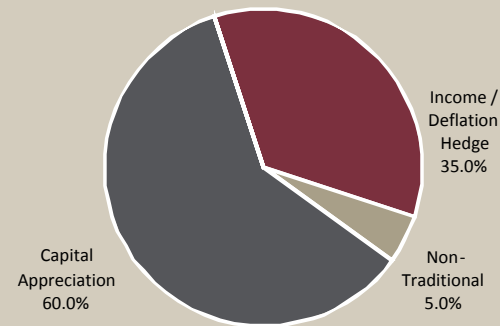
About Performance

The investment results depicted herein represent historical net performance after the deduction of investment management costs.

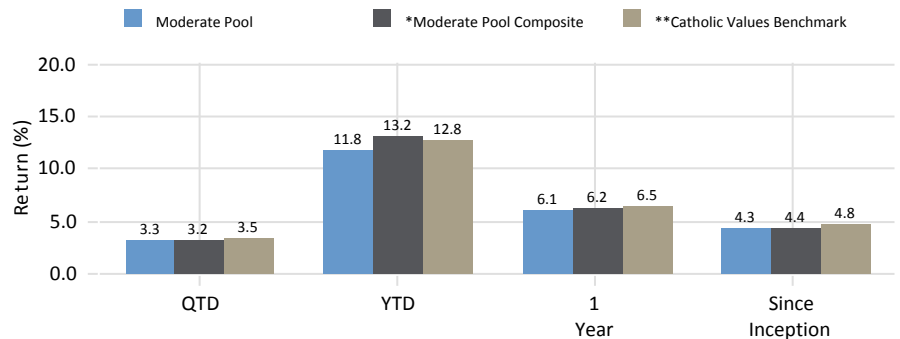
Annual, cumulative and annualized total returns are calculated assuming reinvestment of dividends and income plus capital appreciation. Performance for periods greater than one year is annualized. The performance data presented has been prepared by Graystone Consulting.

Past performance is not a guarantee of future results.

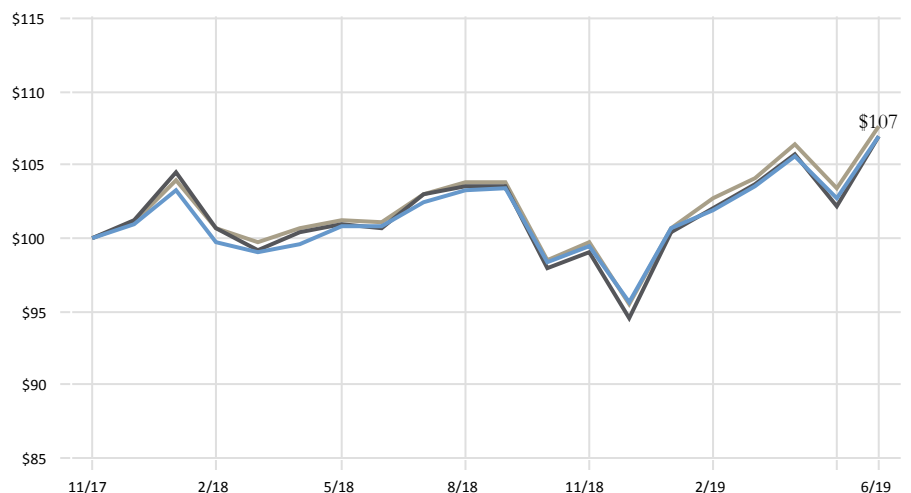
Target Asset Allocation



Multi-Period Performance Analysis



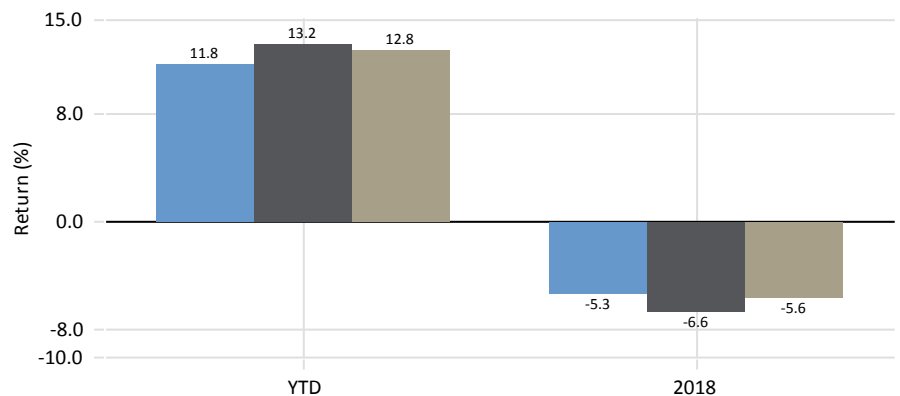
Growth of \$100



Since Inception Risk Statistics

	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
Moderate Pool	8.94	0.29	-7.54	-0.19	0.94
*Moderate Pool Composite	10.43	0.27	-9.55	-0.80	1.10
**Catholic Values Benchmark	9.48	0.33	-8.18	0.00	1.00

Calendar YOY Performance Analysis



* and ** See Important Disclosures on page 5



Roman Catholic Foundation
of
EASTERN MISSOURI

Roman Catholic Foundation
of Eastern Missouri
12 Archbishop May Drive
Saint Louis, MO 63119
314.918.2890
www.rcfstl.org
info@rcfstl.org

Pool Overview

Fund Assets Under Management
\$2.8 million

Objective

Capital preservation and income consistent with Catholic values.

Annual Investment Management Costs

Investment management costs are 0.49%. For Foundation management fee please see the fee schedule provided by the Foundation at <https://rcfstl.org/frequently-asked-questions>.

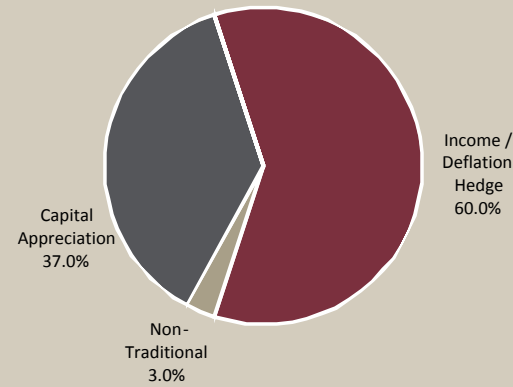
About Performance

The investment results depicted herein represent historical net performance after the deduction of investment management costs.

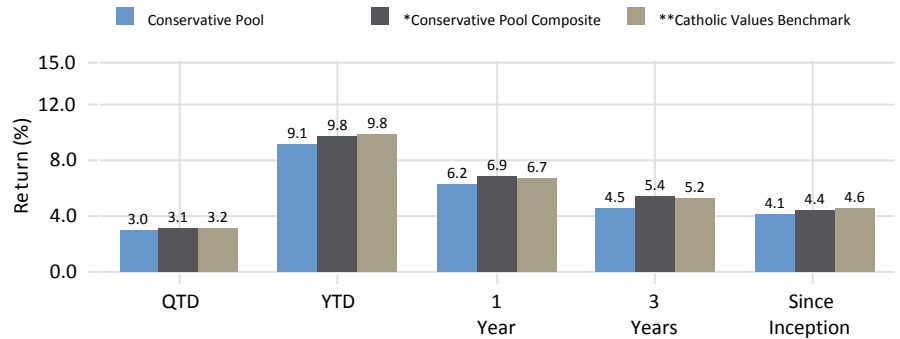
Annual, cumulative and annualized total returns are calculated assuming reinvestment of dividends and income plus capital appreciation. Performance for periods greater than one year is annualized. The performance data presented has been prepared by Graystone Consulting.

Past performance is not a guarantee of future results.

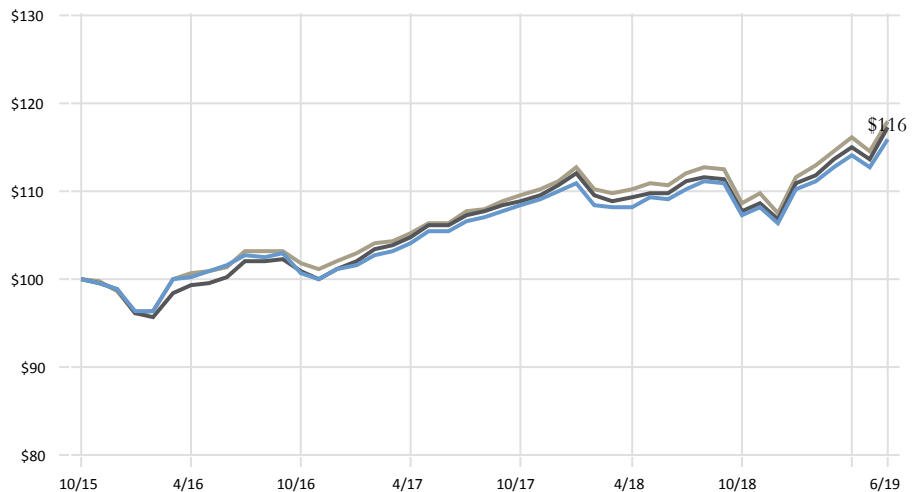
Target Asset Allocation



Multi-Period Performance Analysis



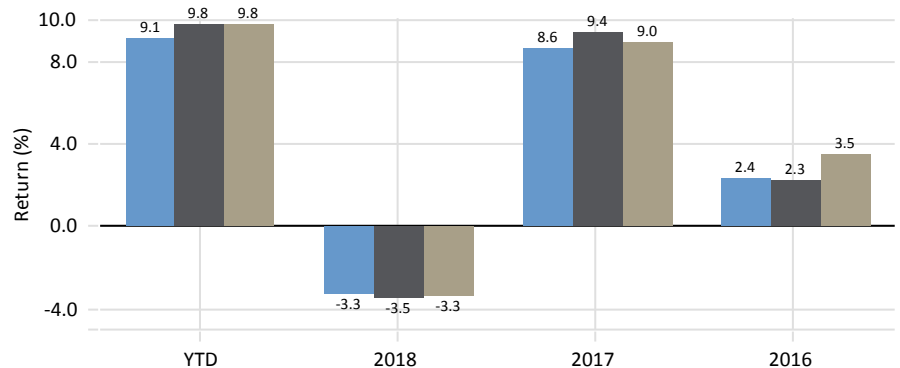
Growth of \$100



Since Inception Risk Statistics

	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
Conservative Pool	4.74	0.64	-4.31	-0.20	0.94
*Conservative Pool Composite	4.82	0.69	-4.79	0.01	0.95
**Catholic Values Benchmark	4.95	0.71	-4.63	0.00	1.00

Calendar YOY Performance Analysis



Roman Catholic Foundation
of
EASTERN MISSOURI

Roman Catholic Foundation
of Eastern Missouri
12 Archbishop May Drive
Saint Louis, MO 63119
314.918.2890
www.rcfstl.org
info@rcfstl.org

* and ** See Important Disclosures on page 5

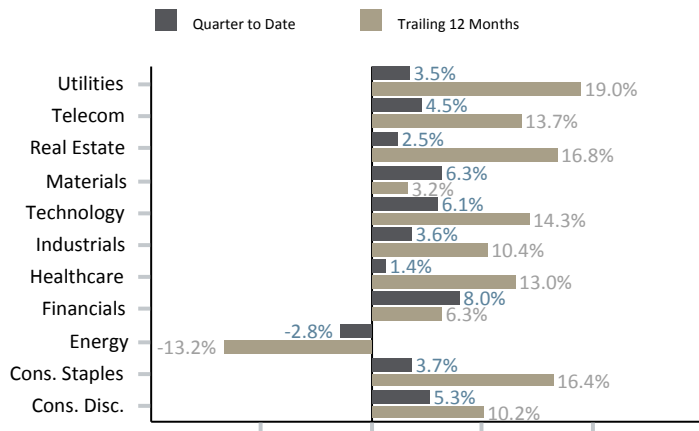
Market Commentary

The second quarter of 2019 extended the robust performance of the first part of the year, as equities rose to new all-time highs and bonds rallied alongside them. Despite the positive returns, the environment has been mixed with a relatively stable underlying economy but weakening data and persistent geopolitical tensions. Markets have been fixated on two fronts: trade and central bank policy. With the former, the US introduced new tariffs against China and Mexico, with negotiations with China renewed but still leaving both sides far apart. With central bank policy, the Federal Reserve continued its dovish pivot with interest rate cuts expected in the latter half of 2019.

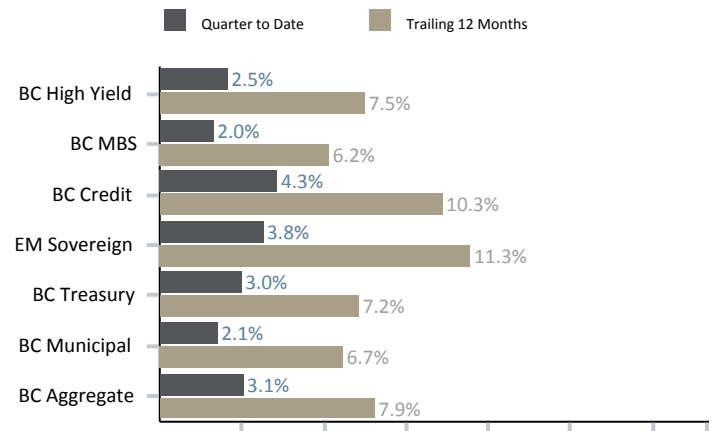
US equities gained +4.3% during the quarter, capping off the strongest first half to a year since 1997. All but one of the market sectors generated positive returns during the quarter, the laggard being energy (-2.8%). International equities gained on the quarter, but slightly under domestic equities as the US continued its market leadership as international markets remain under pressure in Europe. The MSCI EAFE index gained +3.7% for US-currency investors. The MSCI Emerging Markets index gained +0.6% for US-currency investors as a flat US dollar was not enough to overcome pessimism surrounding China.

Bond markets rallied sharply during the second quarter as yields fell across the curve. The Bloomberg Barclays Aggregate Bond index rose +3.1% as treasuries dropped from 2.4% to 2.0% at the end of June. The appreciation in bond prices extended to riskier parts of the bond market as the Bloomberg Barclays High Yield index gained +2.5%.

S&P 500 Sector Performance



Bond Market Performance



Catholic Screening Methodology

In addition to emphasis on competitive investment performance, Foundation assets are managed in accordance with the moral teaching guidelines of the Catholic Church set forth through the United States Conference of Catholic Bishops investment guidelines document. The management of the investment assets of the Foundation focuses on a profound respect for the dignity of the human person.

Portfolios are built and continuously screened to avoid investment in companies with violations of human life and dignity.

ZERO TOLERANCE FOR PARTICIPATION IN:

- Abortion - includes day hospitals performing abortion and direct abortion drugs like RU486
- Contraceptives - includes morning after pill and abortifacients
- Pornography - includes sexually explicit media, video games, production, audio, etc.
- Embryonic stem cell research

AVOID PARTICIPATION IN:

- Tobacco
- Gaming
- Weapons of mass destruction (nuclear), land mines, cluster munitions

Important Disclosures:

- *March 2016 - Present: Growth Pool Composite: 20% Income/Deflation Benchmark; 6% Non-Traditional Benchmark; 74% Capital Appreciation Benchmark. Prior to March 2016: Growth Pool Composite: 14% Income/Deflation Benchmark; 8% Non-Traditional Benchmark; 78% Capital Appreciation Benchmark.
- Income/Deflation Benchmark consists of Barclays Aggregate Index and 90-Day T-Bill in the same allocation as the pool constituents.
- Non-Traditional Benchmark consists of S&P 500 Global Infrastructure, S&P BMI Property Dev and Bloomberg Commodity Index in the same allocation of the pool constituents.
- Capital appreciation Benchmark consists of S&P 500, MSCI EAFE Net, and Alerian MLP Adj Index in the same allocation as the pool constituents.
- **Catholic Values Benchmark: Same allocation as Growth Pool Composite, except utilizing MSCI World Catholic Values Benchmark for equities.

Sources: FactSet, Morgan Stanley Wealth Management GIC.

Information Disclosures: The underlying data has been obtained from sources the Foundation believes to be reliable but we do not guarantee their accuracy, and any such information may be incomplete or condensed. This evaluation is for informational purposes only and is not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security or a recommendation of the services supplied by any money management organization. Note: You cannot invest directly in an index; indices do not include the deduction of investment management costs.

Further information can be obtained from the Foundation office at 314.918.2890, www.rcfstl.org, or at info@rcfstl.org.