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

$50,532,337 as of September 30, 2022

Charitable Remainder Trusts $982,682
Charitable Gift Annuities $1,015,786
Liquidity $70,168
Conservative Pool $3,653,464
Moderate Pool $3,075,050
Growth Pool $41,735,188

Platinum Transparency 2022
Better Business Bureau Accredited
Pool Overview

Fund Assets Under Management
$41.74 million

Objective
Capital appreciation 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

Income / Deflation Hedge 20.0%
Non-Traditional 10.0%
Capital Appreciation 70.0%

Multi-Period Performance Analysis

Growth Pool
*Growth Pool Composite
**Catholic Values Benchmark

Growth of $100

Since Inception Risk Statistics

<table>
<thead>
<tr>
<th>Fund</th>
<th>Standard Deviation</th>
<th>Sharpe Ratio</th>
<th>Maximum Drawdown</th>
<th>Alpha</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth Pool</td>
<td>12.31</td>
<td>0.30</td>
<td>-24.07</td>
<td>-0.05</td>
<td>0.93</td>
</tr>
<tr>
<td>*Growth Pool Composite</td>
<td>12.59</td>
<td>0.26</td>
<td>-22.66</td>
<td>-0.58</td>
<td>0.96</td>
</tr>
<tr>
<td>**Catholic Values Benchmark</td>
<td>13.02</td>
<td>0.31</td>
<td>-24.87</td>
<td>0.00</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Calendar YOY Performance Analysis

Roman Catholic Foundation
of Eastern Missouri
425 N. New Ballas Rd.
Saint Louis, MO 63141
314.918.2890
www.rcfstl.org
info@rcfstl.org

* and ** See Important Disclosures on page 5
**Pool Overview**

**Fund Assets Under Management**
$3.08 million

**Objective**
Balance of capital appreciation and income consistent with Catholic values.

**Annual Investment Management Costs**
Investment management costs are 0.46%. For Foundation management fee please see the fee schedule provided by the Foundation at https://rcfstl.org/frequently-asked-questions.

**About Performance**
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**Target Asset Allocation**

- Income / Deflation Hedge: 35.0%
- Capital Appreciation: 55.0%
- Non-Traditional: 10.0%

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**Multi-Period Performance Analysis**

<table>
<thead>
<tr>
<th></th>
<th>QTD</th>
<th>YTD</th>
<th>1 Year</th>
<th>3 Years</th>
<th>Since Inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate Pool</td>
<td>-5.4</td>
<td>-6.0</td>
<td>-23.1</td>
<td>-19.4</td>
<td>-17.4</td>
</tr>
<tr>
<td><em>Moderate Pool Composite</em></td>
<td>-10.8</td>
<td>-22.8</td>
<td>-17.8</td>
<td>-17.8</td>
<td>-17.8</td>
</tr>
<tr>
<td><strong>Catholic Values Benchmark</strong></td>
<td>-0.2</td>
<td>1.5</td>
<td>1.4</td>
<td>2.0</td>
<td>2.8</td>
</tr>
</tbody>
</table>

**Growth of $100**

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$100</td>
<td>$101</td>
<td>$102</td>
<td>$103</td>
<td>$104</td>
<td>$105</td>
<td>$106</td>
<td>$107</td>
<td>$108</td>
<td>$109</td>
<td>$110</td>
<td>$111</td>
</tr>
</tbody>
</table>

**Since Inception Risk Statistics**

<table>
<thead>
<tr>
<th></th>
<th>Standard Deviation</th>
<th>Sharpe Ratio</th>
<th>Maximum Drawdown</th>
<th>Alpha</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate Pool</td>
<td>12.24</td>
<td>0.08</td>
<td>-23.08</td>
<td>-1.18</td>
<td>0.95</td>
</tr>
<tr>
<td><em>Moderate Pool Composite</em></td>
<td>12.16</td>
<td>0.13</td>
<td>-20.80</td>
<td>-0.65</td>
<td>0.94</td>
</tr>
<tr>
<td><strong>Catholic Values Benchmark</strong></td>
<td>12.79</td>
<td>0.19</td>
<td>-22.49</td>
<td>0.00</td>
<td>1.00</td>
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</tbody>
</table>

**Calendar YOY Performance Analysis**

<table>
<thead>
<tr>
<th></th>
<th>YTD</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return (%)</td>
<td>-23.1</td>
<td>-20.8</td>
<td>-22.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* and ** See Important Disclosures on page 5
**Pool Overview**

**Fund Assets Under Management**
$3.65 million

**Objective**
Capital preservation and income consistent with Catholic values.

**Annual Investment Management Costs**
Investment management costs are 0.40%. 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**

- Income / Deflation Hedge 60.0%
- Capital Appreciation 33.5%
- Non-Traditional 6.5%

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**Multi-Period Performance Analysis**

![Graph showing performance analysis]

**Growth of $100**

![Graph showing growth of $100 over time]

**Since Inception Risk Statistics**

<table>
<thead>
<tr>
<th></th>
<th>Standard Deviation</th>
<th>Sharpe Ratio</th>
<th>Maximum Drawdown</th>
<th>Alpha</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservative Pool</td>
<td>7.23</td>
<td>0.22</td>
<td>-17.84</td>
<td>-0.24</td>
<td>0.95</td>
</tr>
<tr>
<td>*Conservative Pool Composite</td>
<td>7.31</td>
<td>0.21</td>
<td>-17.87</td>
<td>-0.29</td>
<td>0.95</td>
</tr>
<tr>
<td><strong>Catholic Values Benchmark</strong></td>
<td>7.57</td>
<td>0.26</td>
<td>-18.51</td>
<td>0.00</td>
<td>1.00</td>
</tr>
</tbody>
</table>

**Calendar YOY Performance Analysis**

![Graph showing calendar YOY performance analysis]

* and ** See Important Disclosures on page 5
During 3Q22, global inflationary pressures continued to flare, prompting central banks to respond by tightening monetary policy. After multiple years of lower-for-longer interest rates, this policy normalization led equities and bonds to new bear market lows by late September. The traditional 60% stock/40% bond portfolio fell 22.7% YTD, the worst nine month return in more than 50 years following over 10% annualized returns for the 40 years ended December 2021.

Even though corporate earnings showed limited evidence of margin and earnings pressures from higher input costs and slowing growth, equities extended their first-half losses, with the S&P 500 reaching 3,586 by September 30, down 23.9% since December 31, and down 25.6% from its January 3 peak. Meanwhile, US investment grade fixed income, represented by the Bloomberg US Aggregate Index, tracked toward its weakest performance since its 1976 inception, down 14.6% since the end of 2021.

### S&P 500 Sector Performance

<table>
<thead>
<tr>
<th>Sector</th>
<th>Quarter to Date</th>
<th>Trailing 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities</td>
<td>-12.7%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Telecom</td>
<td>-11.1%</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td>-10.4%</td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td>-12.1%</td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td>-11.1%</td>
<td></td>
</tr>
<tr>
<td>Industrials</td>
<td>-12.1%</td>
<td></td>
</tr>
<tr>
<td>Healthcare</td>
<td>-12.1%</td>
<td></td>
</tr>
<tr>
<td>Financials</td>
<td>-12.1%</td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>-17.7%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Cons. Staples</td>
<td>-6.6%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Cons. Disc.</td>
<td>-20.9%</td>
<td></td>
</tr>
</tbody>
</table>

### Bond Market Performance

<table>
<thead>
<tr>
<th>Bond Index</th>
<th>Quarter to Date</th>
<th>Trailing 12 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>BC Aggregate</td>
<td>-14.1%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>BC MBS</td>
<td>-14.0%</td>
<td></td>
</tr>
<tr>
<td>BC Credit</td>
<td>-17.9%</td>
<td>-4.9%</td>
</tr>
<tr>
<td>EM Sovereign</td>
<td>-22.2%</td>
<td>-4.2%</td>
</tr>
<tr>
<td>BC Treasury</td>
<td>-12.9%</td>
<td>-3.5%</td>
</tr>
<tr>
<td>BC Municipal</td>
<td>-11.5%</td>
<td>-4.8%</td>
</tr>
<tr>
<td>BC Aggregate</td>
<td>-14.6%</td>
<td></td>
</tr>
</tbody>
</table>

### 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

**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.

- 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 FTSE Treasury Bill 3 month in the same allocation as the pool constituents.

**Catholic Values Benchmark:** Same allocation as Pool Composite, except utilizing MSCI World Catholic Values Benchmark for equities.

**Sources:** FactSet, Morgan Stanley Wealth Management GIC.

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