



# 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

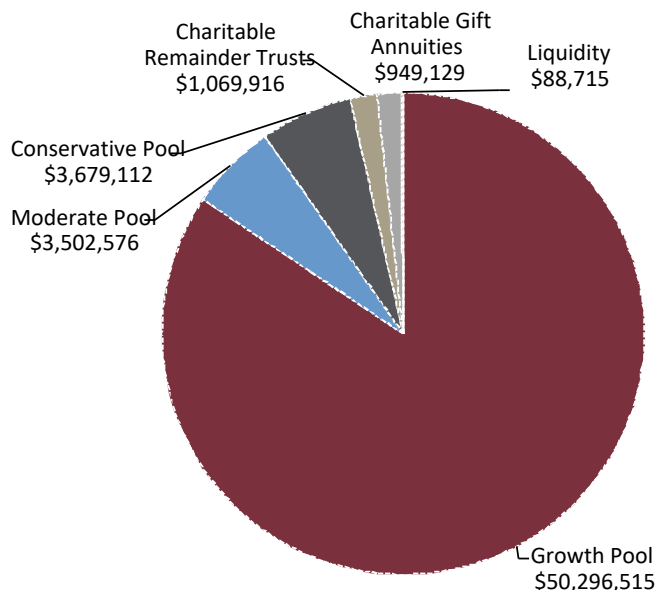
The Roman Catholic Foundation of Eastern Missouri offers world-class, Catholic-screened investment options to help donors achieve their charitable goals and to help Parishes, Schools, and Ministries of the Archdiocese of St. Louis meet their long-term financial needs.

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

\$59,585,963 as of June 30, 2023



Platinum  
Transparency  
2023

Candid.

Charity  
Navigator



+ FOUR-STAR +

Better Business  
Bureau Accredited

### Pool Overview

#### Fund Assets Under Management

\$50.30 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>.

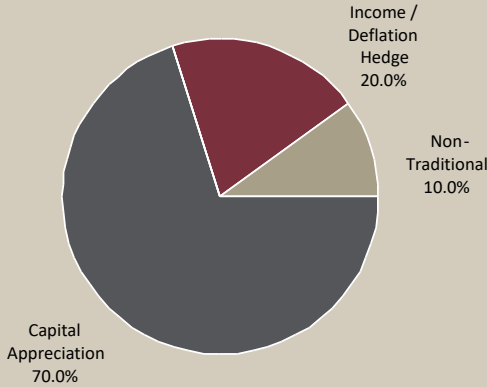
#### About Performance

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

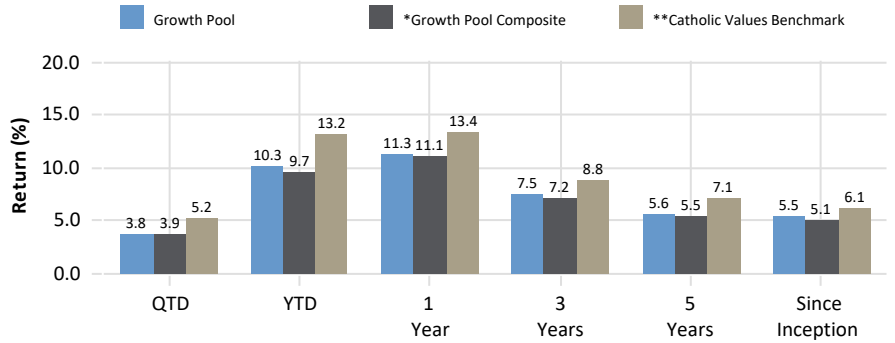
Annual, cumulative and annualized total returns are calculated assuming reinvestment of dividends and income plus capital appreciation. Performance for periods greater than one year is annualized. The performance data presented has been prepared by Graystone Consulting.

*Past performance is not a guarantee of future results.*

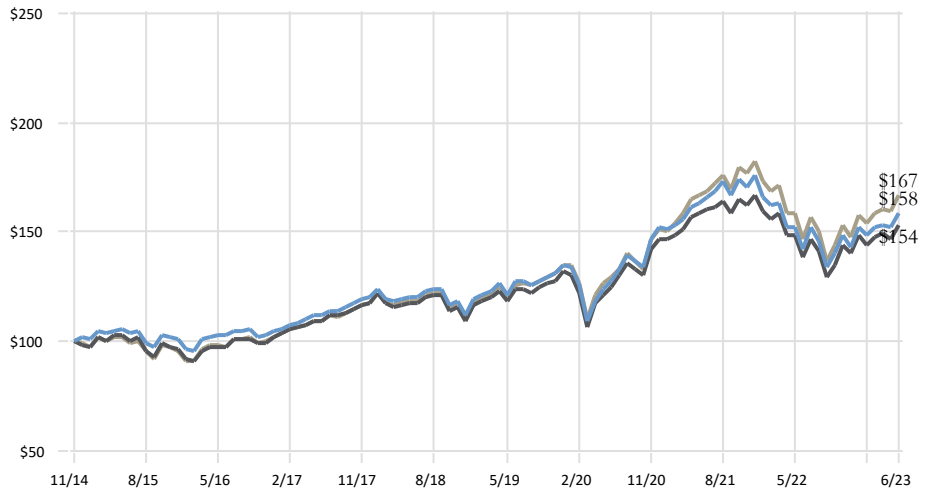
#### Target Asset Allocation



### Multi-Period Performance Analysis



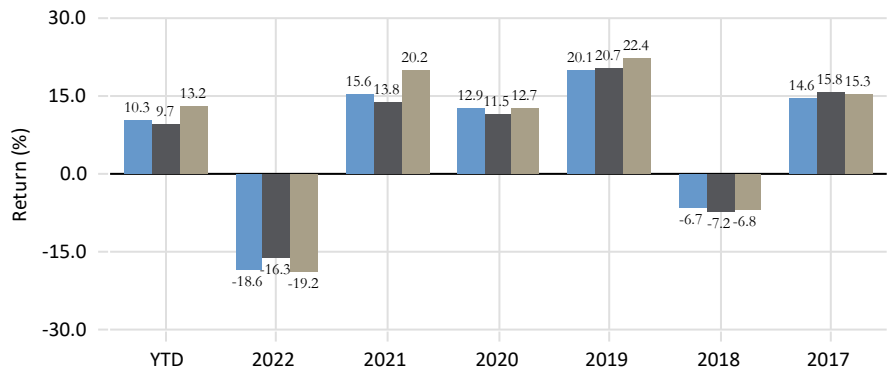
### Growth of \$100



### Since Inception Risk Statistics

	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
<b>Growth Pool</b>	<b>12.38</b>	<b>0.40</b>	<b>-24.07</b>	<b>-0.23</b>	<b>0.93</b>
*Growth Pool Composite	12.68	0.37	-22.66	-0.73	0.96
**Catholic Values Benchmark	13.12	0.44	-24.87	0.00	1.00

### Calendar YOY Performance Analysis



\* and \*\* See Important Disclosures on page 5



**Roman Catholic Foundation**  
of  
EASTERN MISSOURI

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of Eastern Missouri  
425 N. New Ballas Rd.  
Saint Louis, MO 63141  
314.918.2890  
[www.rcfstl.org](http://www.rcfstl.org)  
[info@rcfstl.org](mailto:info@rcfstl.org)

## Moderate Pool

Inception Date December 1, 2017

### Pool Overview

**Fund Assets Under Management**  
\$3.50 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>.

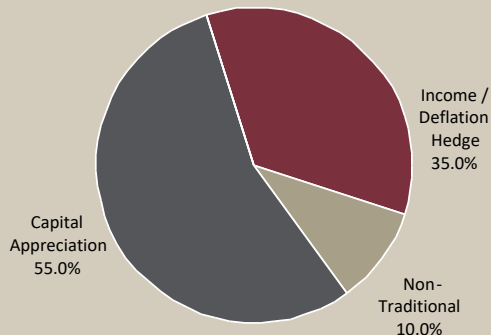
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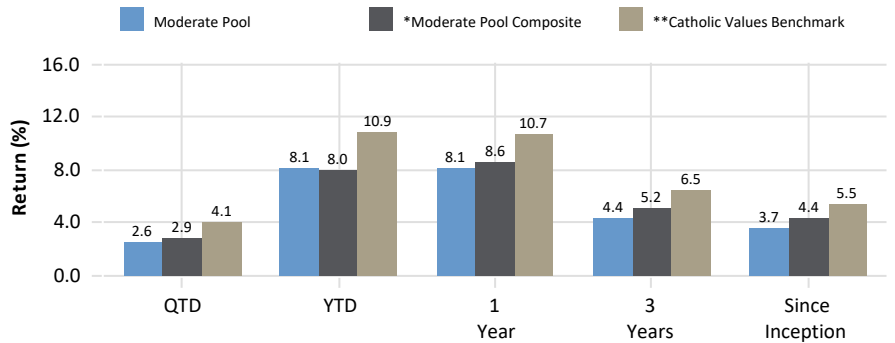
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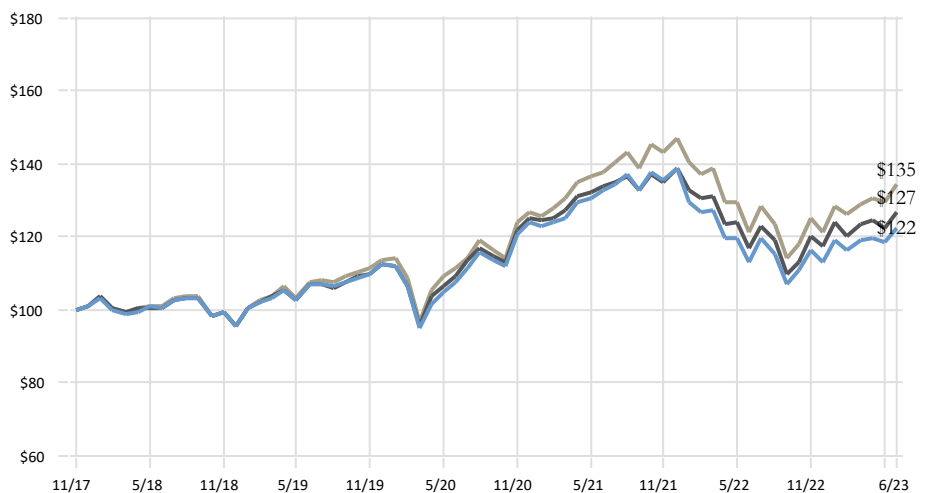
#### Target Asset Allocation



### Multi-Period Performance Analysis



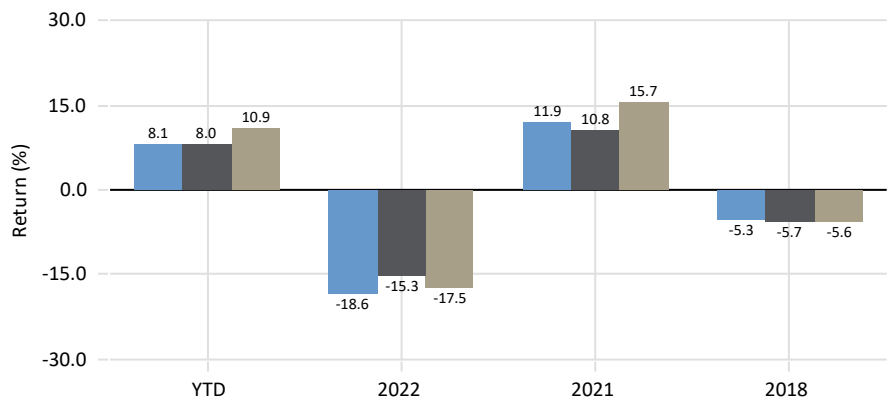
### Growth of \$100



### Since Inception Risk Statistics

	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
<b>Moderate Pool</b>	<b>12.08</b>	<b>0.23</b>	<b>-23.08</b>	<b>-1.41</b>	<b>0.94</b>
*Moderate Pool Composite	12.13	0.28	-20.80	-0.80	0.95
**Catholic Values Benchmark	12.71	0.36	-22.49	0.00	1.00

### Calendar YOY Performance Analysis



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### Pool Overview

#### Fund Assets Under Management

\$3.68 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>.

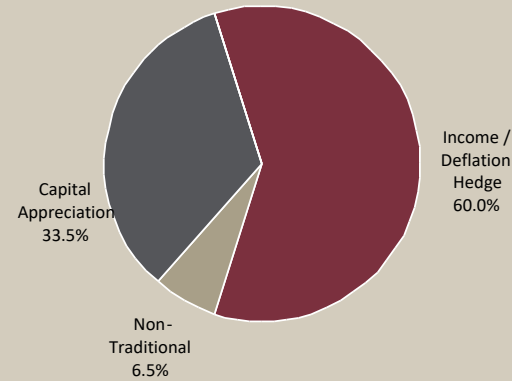
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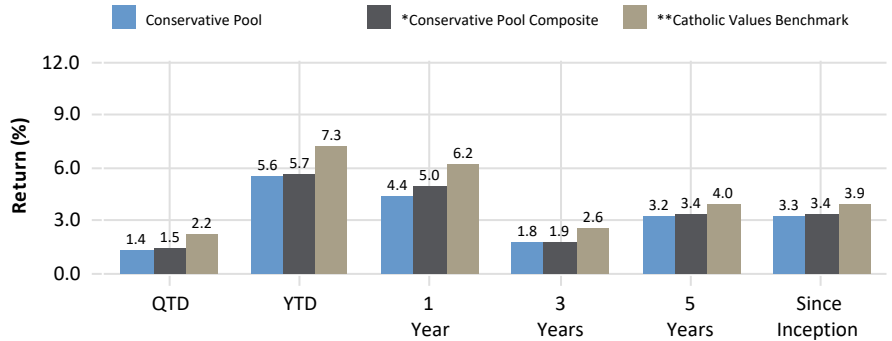
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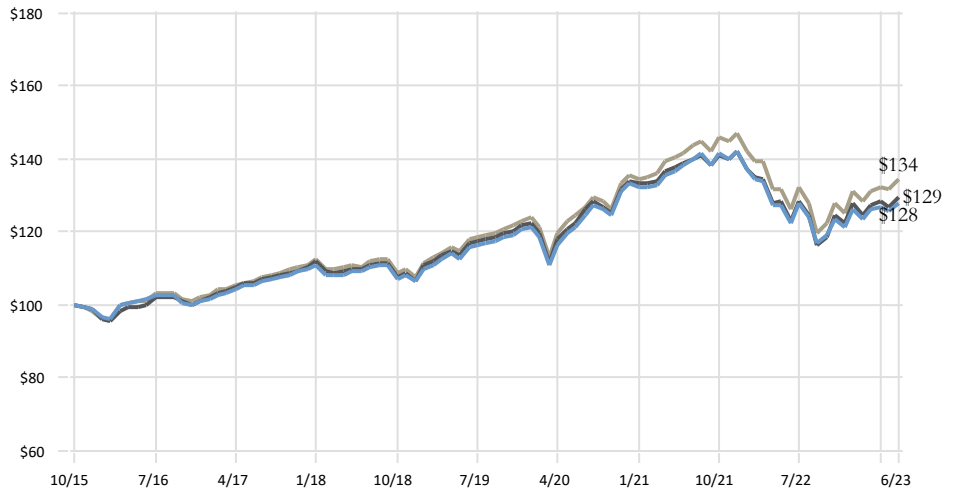
#### Target Asset Allocation



### Multi-Period Performance Analysis



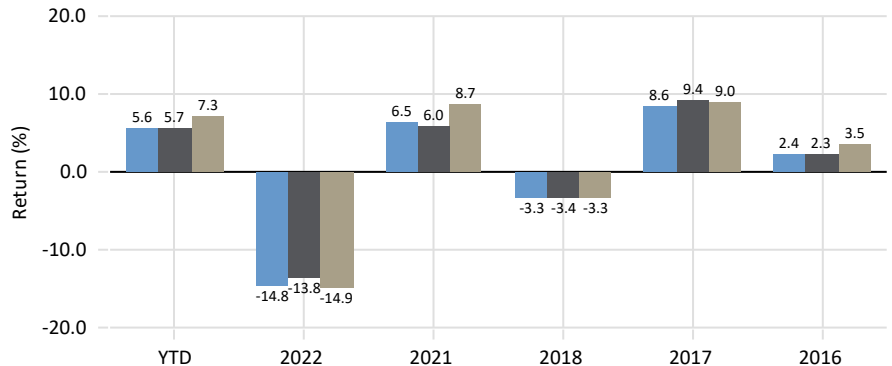
### Growth of \$100



### Since Inception Risk Statistics

	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
<b>Conservative Pool</b>	<b>7.31</b>	<b>0.31</b>	<b>-17.84</b>	<b>-0.41</b>	<b>0.94</b>
*Conservative Pool Composite	7.54	0.32	-17.87	-0.36	0.96
**Catholic Values Benchmark	7.73	0.38	-18.51	0.00	1.00

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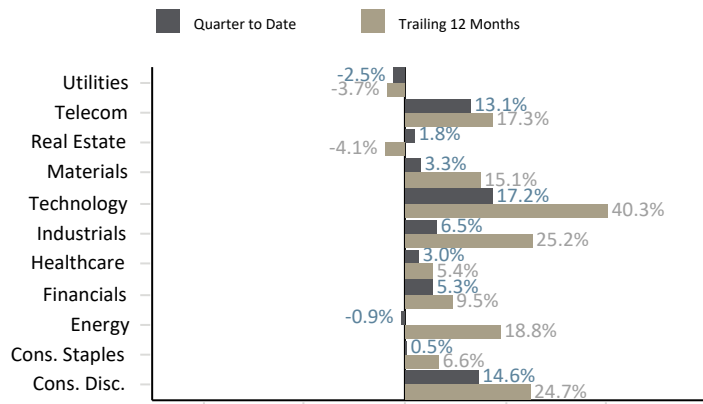
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## Market Commentary

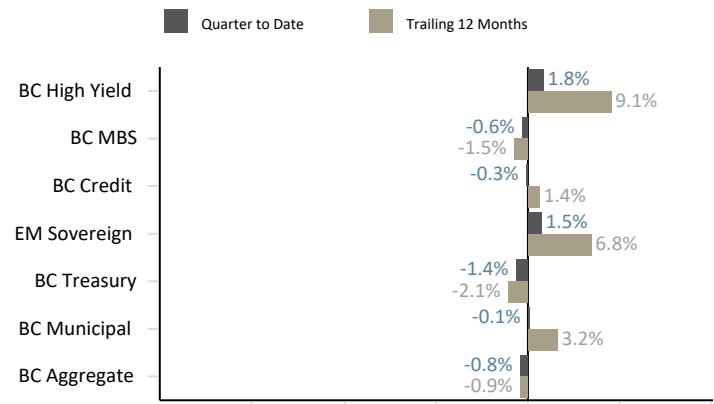
The second quarter of 2023 brought positive returns for equity indices and negative returns for bond market indices as most developed market central banks continued their commitments to fighting inflation through rate hikes and quantitative tightening. Meanwhile, the yield curve remained inverted, reaching the low of the first quarter as global economic growth slowed. The second quarter saw growth outperform value and large cap outperform small, led by mega-cap tech companies, as earnings came in stronger than expected. In US equities, the S&P 500 Index posted an 8.7% return while the Russell 2000 Index gained 5.2%. The Bloomberg US Aggregate declined 0.8%, gold fell 2.5%, WTI oil fell 6.6%, while natural gas rose 26.3%. The US dollar Index increased 1.29% over the same period.

The bear market rally that began last October with peaking two and ten year US Treasury rates has been resilient, with the S&P 500 Index up 14% as of the end of June. While lower long-term rates have provided some valuation support over the past nine months, 2023's positive performance has been squarely rooted in better-than-expected real economic growth, with a durable labor market sustaining US consumption. Although historical macroeconomic models have been signaling material slowdown, if not outright recession, constructive liquidity and still-ample household and corporate cash cushions have forestalled the impact of the swiftest Federal Reserve tightening campaign in 40 years. The implication, especially given headline Consumer Price Index inflation still at 5.3%, is that nominal, top-line corporate growth, which powers earnings, is still running at 6% - 7% on a year-over-year basis - more than 50% - 75% above the 25 year norm.

### 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

**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.

\*Fund benchmark constituents are as follows:

- Income/Deflation Benchmark consists of Barclays Aggregate Index and 90-day T-Bills 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.

Note: you cannot invest directly in an index; indices do not include the deduction of investment management costs.

**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](http://www.rcfstl.org), or at [info@rcfstl.org](mailto:info@rcfstl.org).