



# 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

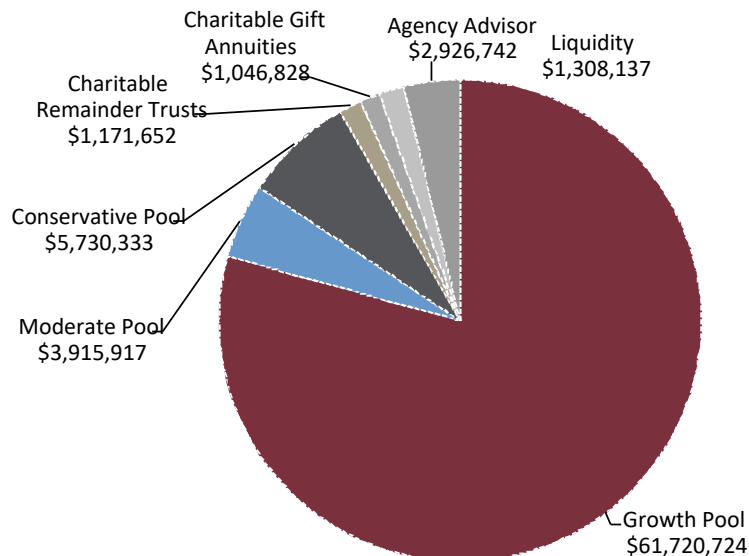
The Roman Catholic Foundation of Eastern Missouri offers world-class, Catholic-screened investment options to help donors achieve their charitable goals and to help Parishes, Schools, and Ministries of the Archdiocese of St. Louis meet their long-term financial needs.

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

\$77,820,333 as of December 31, 2024



Platinum  
Transparency  
2023

Candid.

Charity  
Navigator



+ FOUR-STAR +

Better Business  
Bureau Accredited

## Growth Pool

Inception Date December 1, 2014

### Pool Overview

#### Fund Assets Under Management

\$61.72 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>.

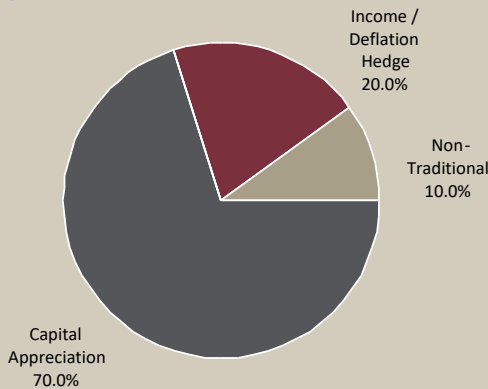
#### About Performance

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

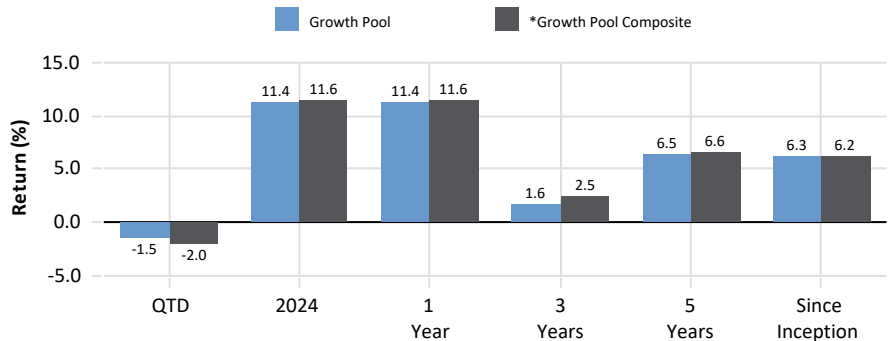
Annual, cumulative and annualized total returns are calculated assuming reinvestment of dividends and income plus capital appreciation. Performance for periods greater than one year is annualized. The performance data presented has been prepared by Graystone Consulting.

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

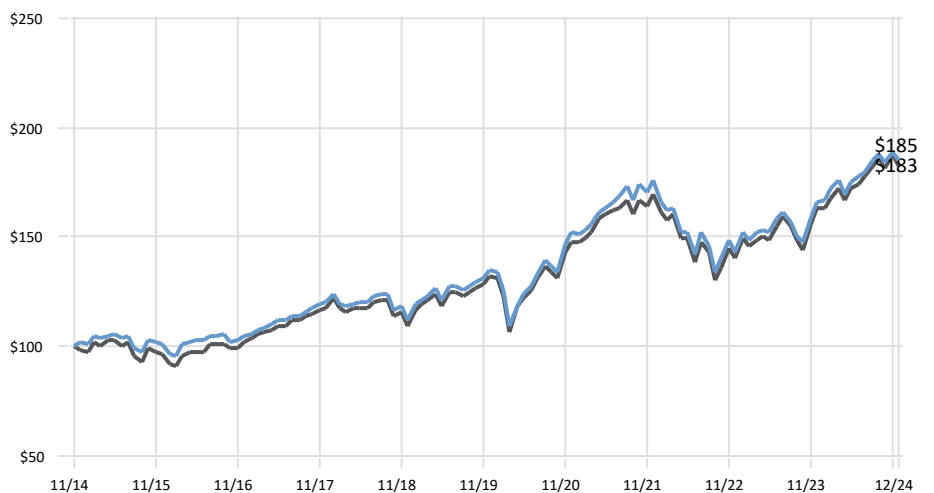
#### Target Asset Allocation



### Multi-Period Performance Analysis



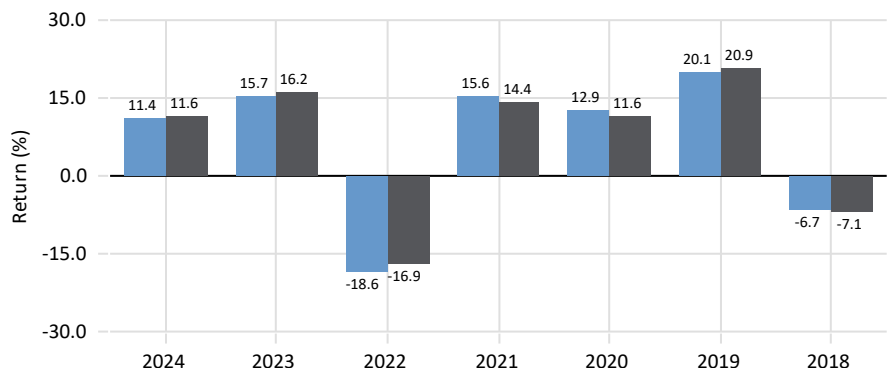
### Growth of \$100



### Since Inception Risk Statistics

	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
<b>Growth Pool</b>	<b>12.14</b>	<b>0.42</b>	<b>-24.07</b>	<b>0.42</b>	<b>0.95</b>
*Growth Pool Composite	12.58	0.40	-22.98	0.00	1.00

### Calendar YOY Performance Analysis



\* See Important Disclosures on page 5



**Roman Catholic Foundation**  
of  
EASTERN MISSOURI

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[info@rcfstl.org](mailto:info@rcfstl.org)

**Moderate Pool**

**Inception Date December 1, 2017**

**Pool Overview**

**Fund Assets Under Management**  
\$3.92 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>.

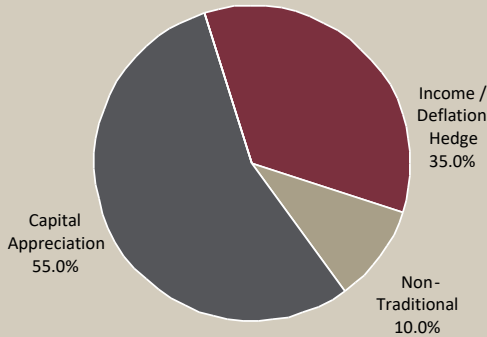
**About Performance**

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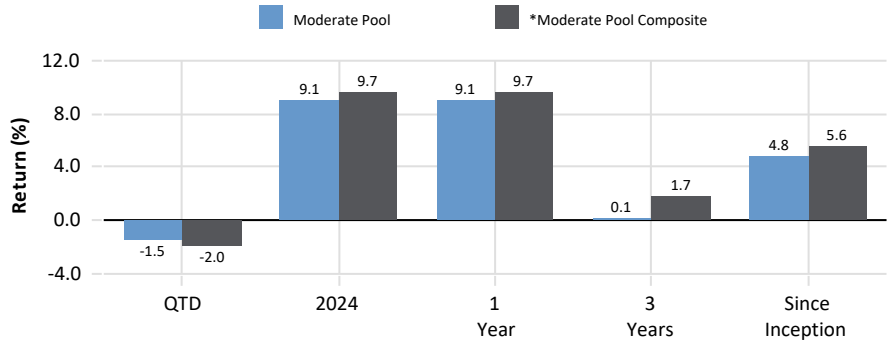
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**Target Asset Allocation**



**Multi-Period Performance Analysis**



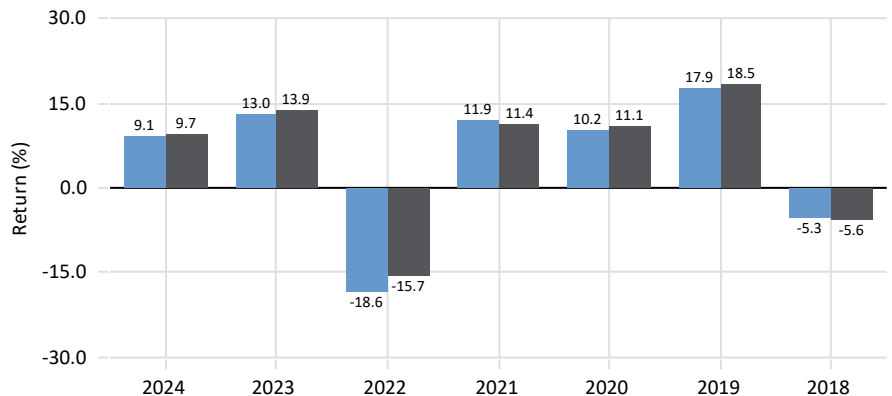
**Growth of \$100**



**Since Inception Risk Statistics**

	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
<b>Moderate Pool</b>	<b>11.52</b>	<b>0.26</b>	<b>-23.08</b>	<b>-0.57</b>	<b>0.96</b>
<i>*Moderate Pool Composite</i>	<i>11.83</i>	<i>0.32</i>	<i>-21.00</i>	<i>0.00</i>	<i>1.00</i>

**Calendar YOY Performance Analysis**



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### Pool Overview

#### Fund Assets Under Management

\$5.73 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>.

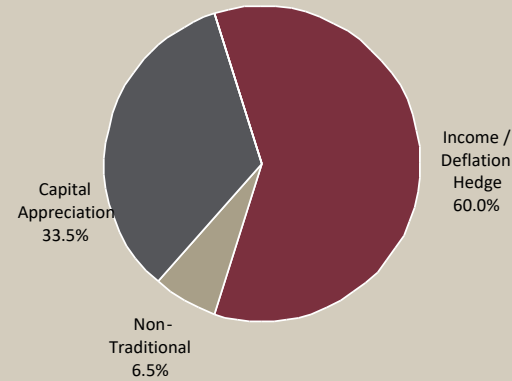
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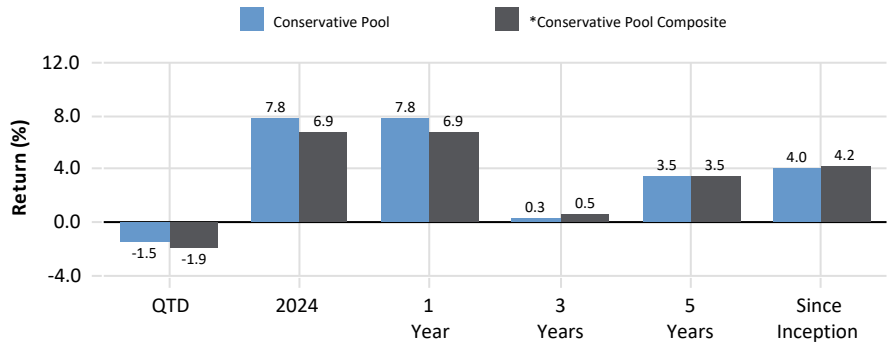
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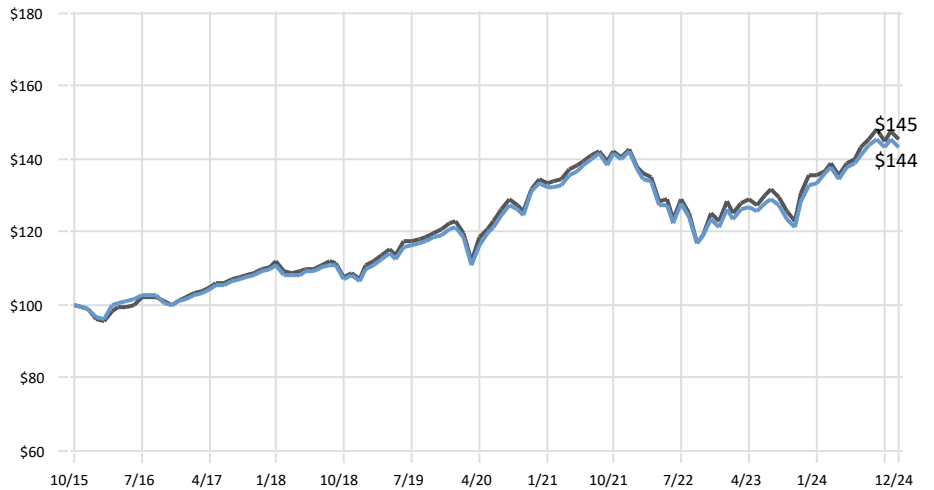
#### Target Asset Allocation



### Multi-Period Performance Analysis



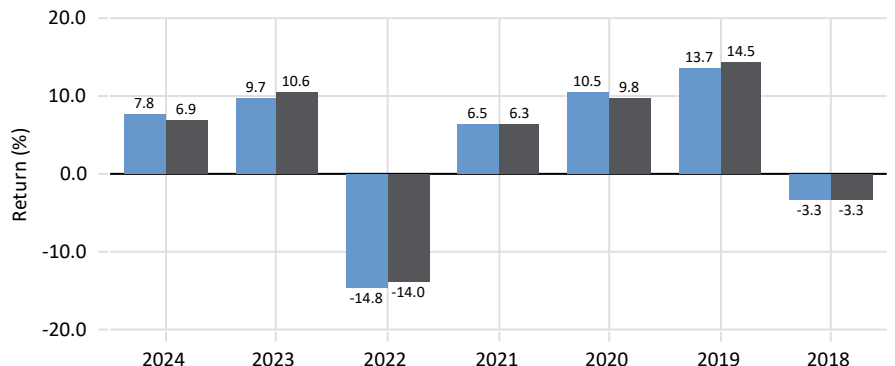
### Growth of \$100



### Since Inception Risk Statistics

	Standard Deviation	Sharpe Ratio	Maximum Drawdown	Alpha	Beta
Conservative Pool	7.37	0.31	-17.84	0.10	0.94
*Conservative Pool Composite	7.73	0.32	-17.97	0.00	1.00

### Calendar YOY Performance Analysis



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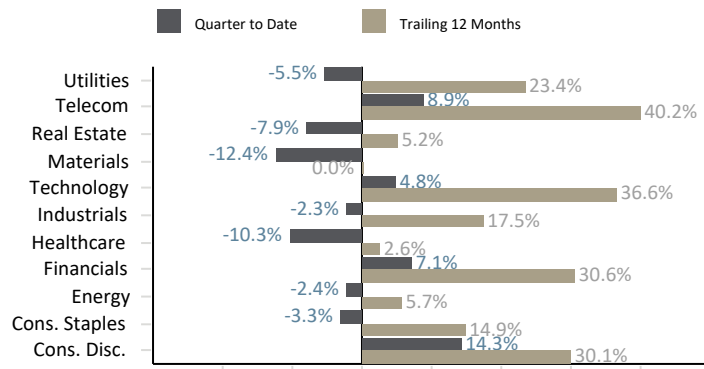
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## Market Commentary

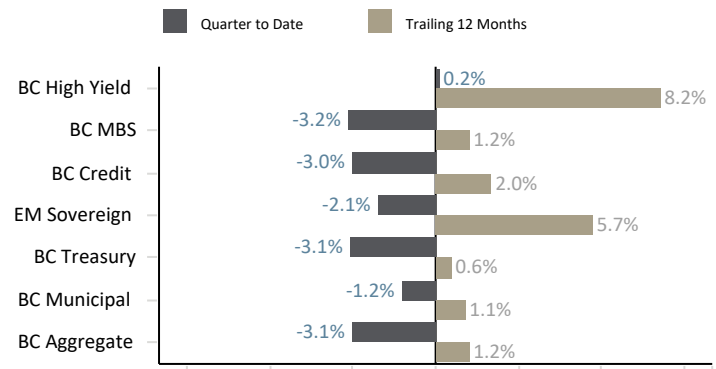
The bull market that began in October 2022 has been noteworthy in many respects. While many have focused on gains among perceived winners of the AI revolution-the so-called Magnificent Seven-less discussed has been the extent to which market action has diverged from realized fundamentals, instead anticipating "Goldilocks" conditions to be enhanced by a new administration's growth policies.

While nominal GDP has grown at a relatively robust 5.5%-6.0% rate the past two years, two-year trailing S&P 500 earnings growth is only 7.6%. This suggests that operating leverage resulting in profit margin expansion has been historically modest and that most of the market move has come from multiple expansion, to a level that is rich absolutely and versus interest rates. To wit, the 10-year Treasury yield is 65 basis points above where it was at the 2022 bear market bottom, and the equity risk premium has shrunk to only four basis points. Meanwhile, core inflation still above the Fed's target has frustrated anticipation of much lower rates and further easing. With these constraints on the ability of monetary policy and valuation expansion to drive gains in 2025, the baton is passed to fundamentals, or corporate earnings, where expectations are lofty. The consensus for 2025 and 2026 calls for a two-year earnings growth rate of 30%-roughly four times that of the past two years. Certainly, fiscal policies like tax changes and deregulation could be positive catalysts, as could recovery in rate-sensitive sectors and improving global growth, but here too, investors should be measured. Deficits are likely to constrain tax cuts, and the economy's rate sensitivity may be muted by structural factors like a frozen housing market and income/wealth inequality, as US dollar strength increasingly makes US goods unaffordable to foreigners. Uncertainties around pace and sequencing of Trump agenda bear watching as well.

### 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.

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).