

Catholic Community Foundation for Eastern South Dakota

Finance Committee & Board Update

November 2, 2023

Kyle Zotta, CFA, CAIA
Principal

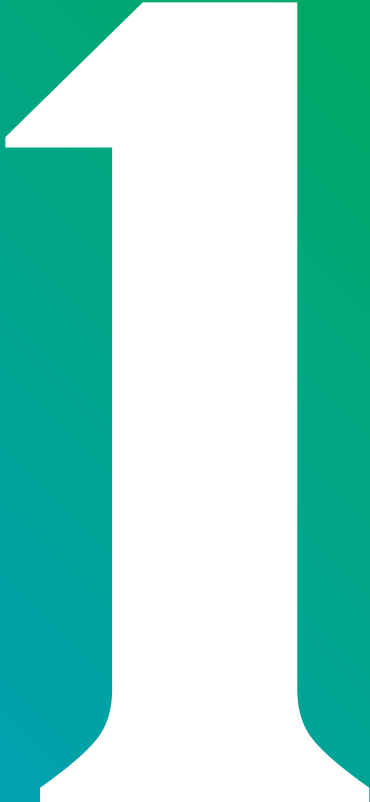
Kevin Hannon
Principal

Val Schram
Associate

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Discussion Materials



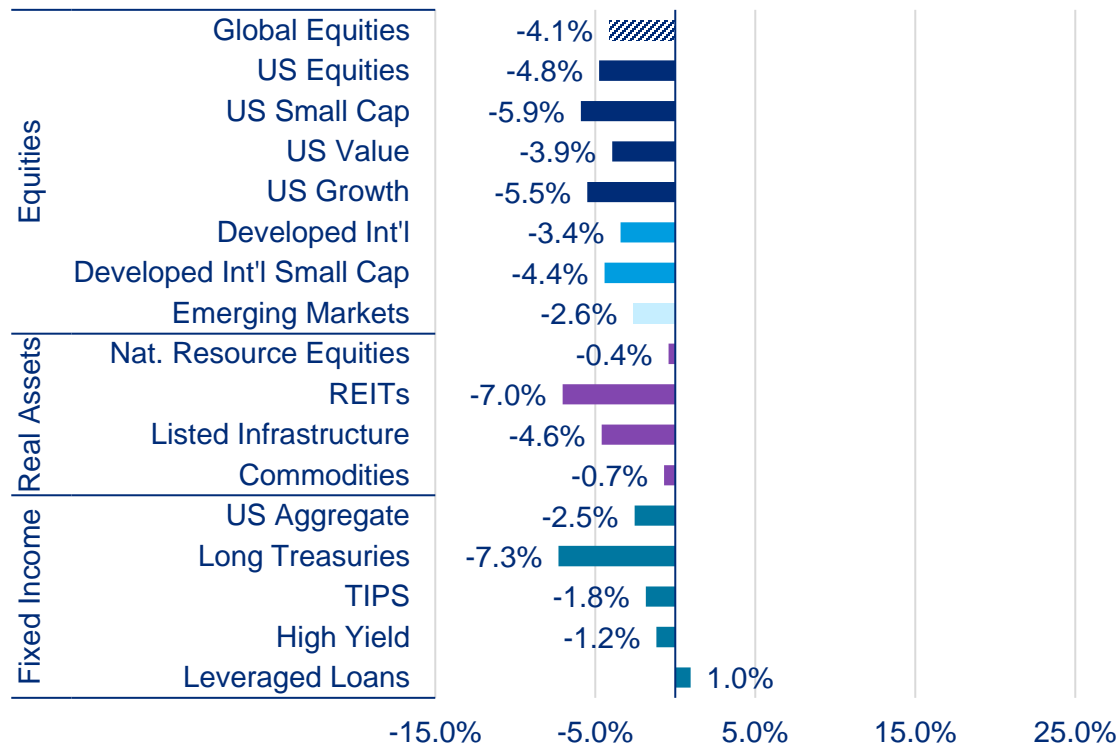


Discussion Materials

Market Environment

Total returns of major asset classes

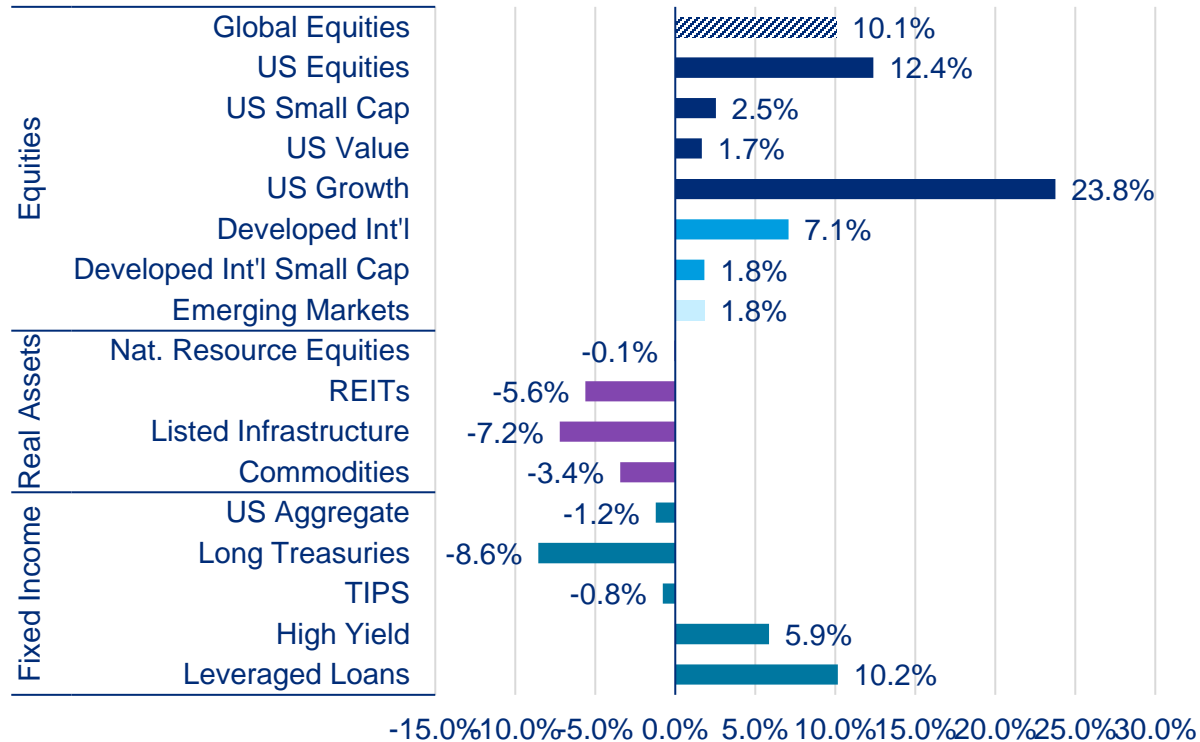
September 2023 Return
August 31, 2023 – September 30, 2023



Source: Standard & Poor's, Russell, MSCI Barra, NAREIT, Bloomberg. Returns refer to the following index performance, MSCI All Country World Index (Global Equities), MSCI All Country World Small Cap (Global Small Cap), Russell 3000 (US Equities), Russell 2000 (US Small Cap), Russell 3000 Value (US Value), Russell 3000 Growth (US Growth), MSCI EAFE (Developed International), MSCI EAFE Small Cap (Developed Int'l Small Cap), MSCI Emerging Markets (Emerging Markets), MSCI China A Onshore (China A Share), S&P Global Natural Resources (Natural Resource Equities), FTSE EPRA/NAREIT United States (REITs), FTSE Global Core Infrastructure (Listed Infrastructure), Bloomberg US Aggregate (US Aggregate), Bloomberg US Treasury Long (Long Treasuries), Bloomberg High Yield (High Yield), S&P/LSTA Leveraged Loans (Leveraged Loans). Past performance is no guarantee of future results.

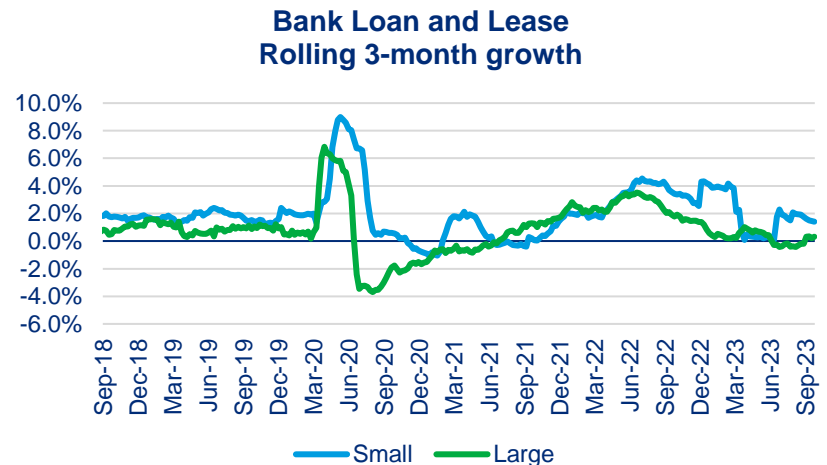
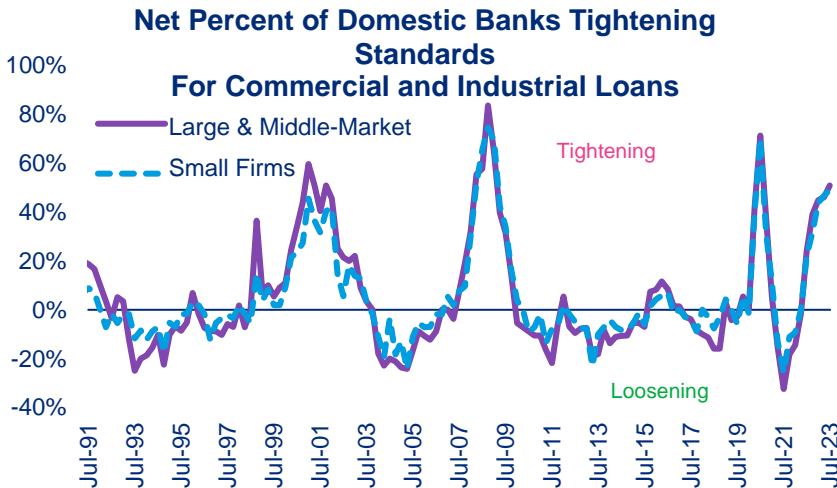
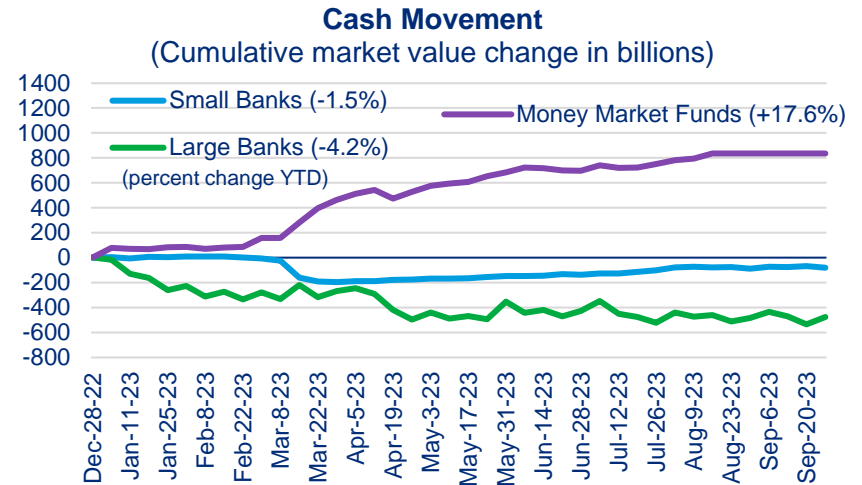
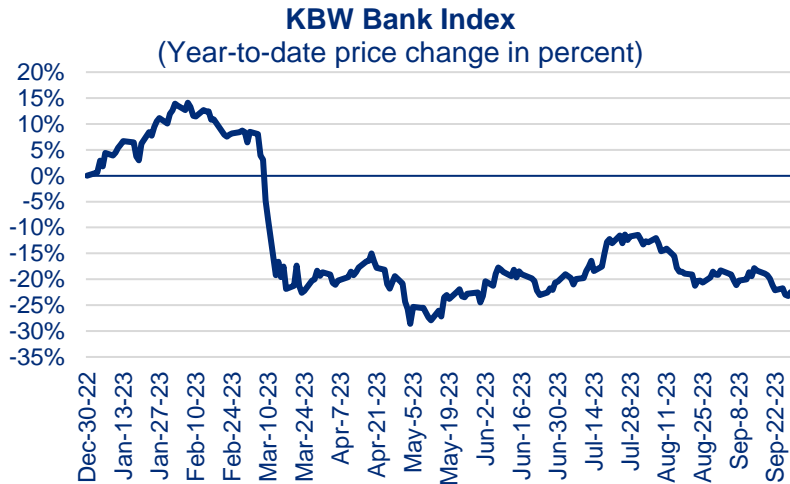
Total returns of major asset classes

Year-to-Date Return
December 31, 2022 – September 30, 2023



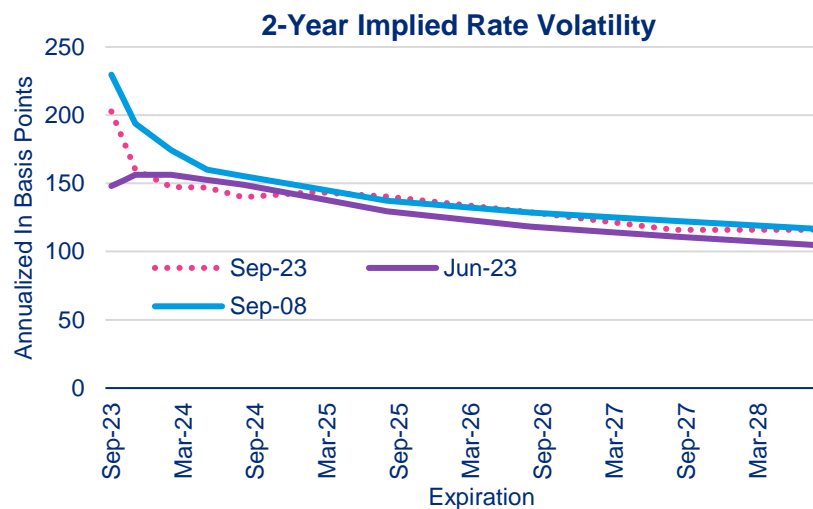
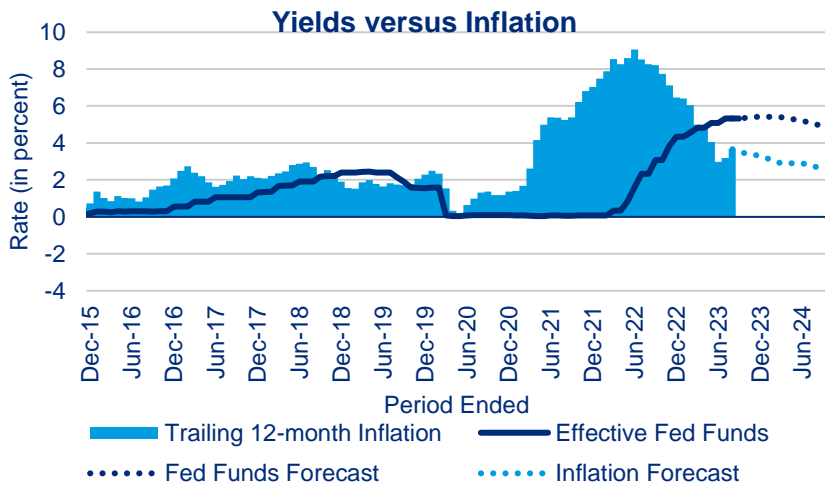
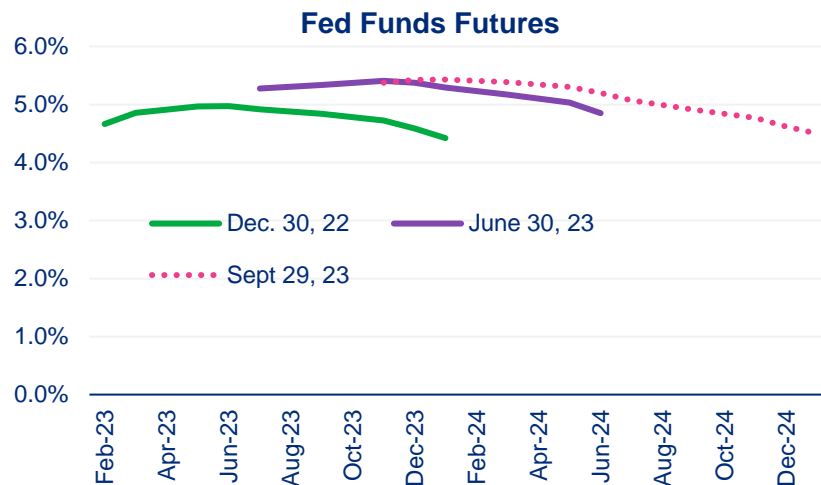
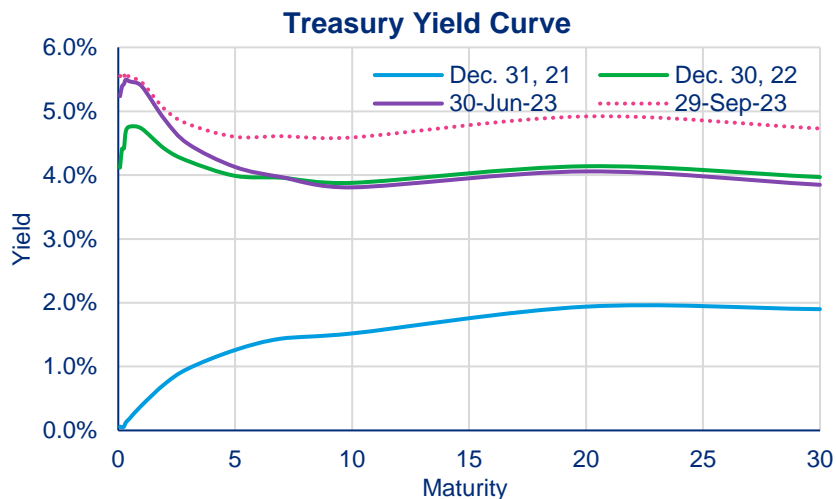
Source: Standard & Poor's, Russell, MSCI Barra, NAREIT, Bloomberg. Returns refer to the following index performance, MSCI All Country World Index (Global Equities), MSCI All Country World Small Cap (Global Small Cap), Russell 3000 (US Equities), Russell 2000 (US Small Cap), Russell 3000 Value (US Value), Russell 3000 Growth (US Growth), MSCI EAFE (Developed International), MSCI EAFE Small Cap (Developed Int'l Small Cap), MSCI Emerging Markets (Emerging Markets), MSCI China A Onshore (China A Share), S&P Global Natural Resources (Natural Resource Equities), FTSE EPRA/NAREIT United States (REITs), FTSE Global Core Infrastructure (Listed Infrastructure), Bloomberg US Aggregate (US Aggregate), Bloomberg US Treasury Long (Long Treasuries), Bloomberg High Yield (High Yield), S&P/LSTA Leveraged Loans (Leveraged Loans). Past performance is no guarantee of future results.

Banking stresses appear manageable, but warrant monitoring



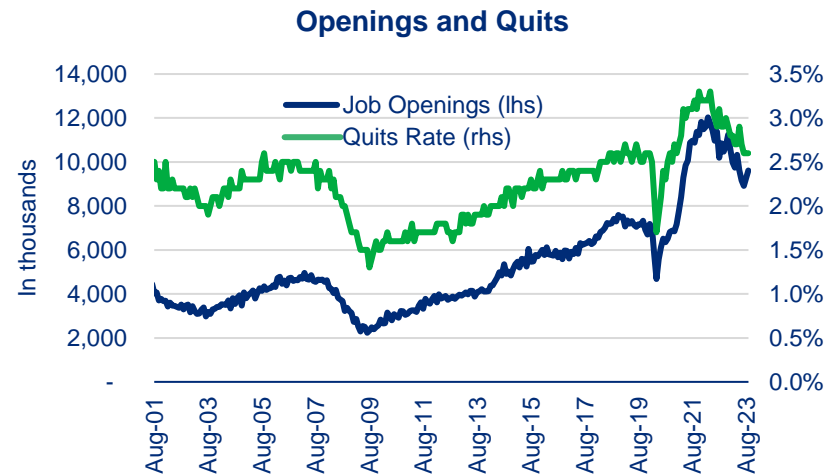
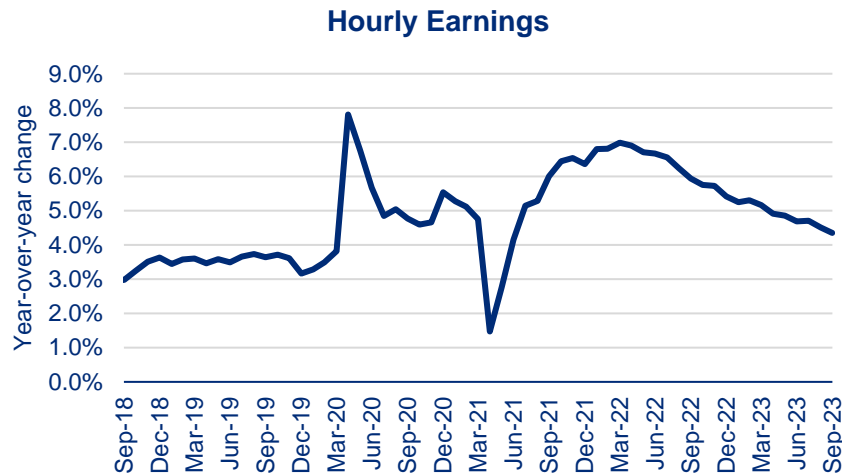
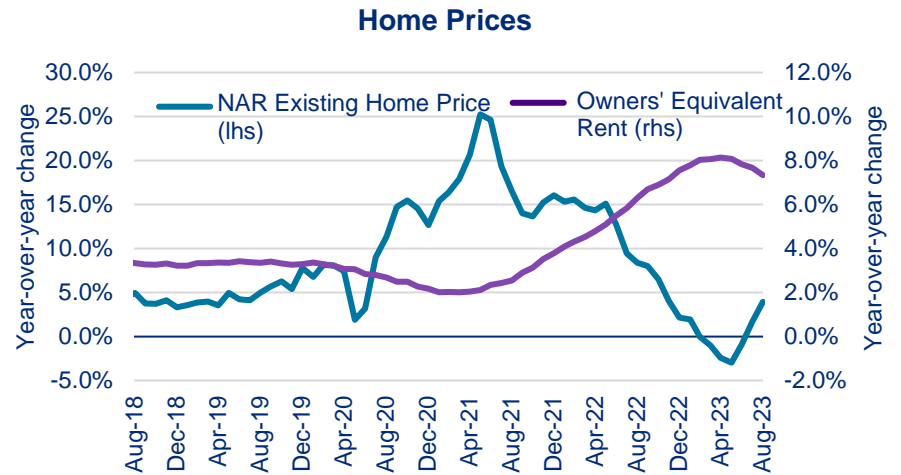
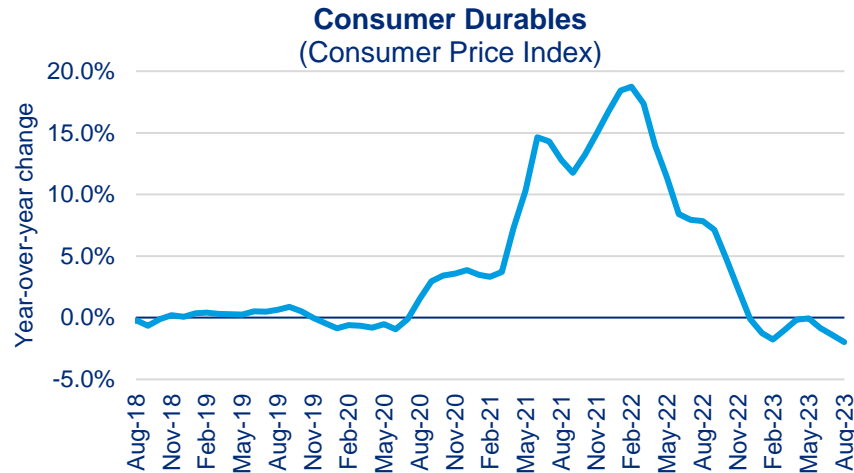
Source: Bloomberg, Federal Reserve, ICI, Federal Reserve FRED Database, as of September 27, 2023. Past performance is no guarantee of future results.

Fed funds above YOY inflation, tight policy expected to persist



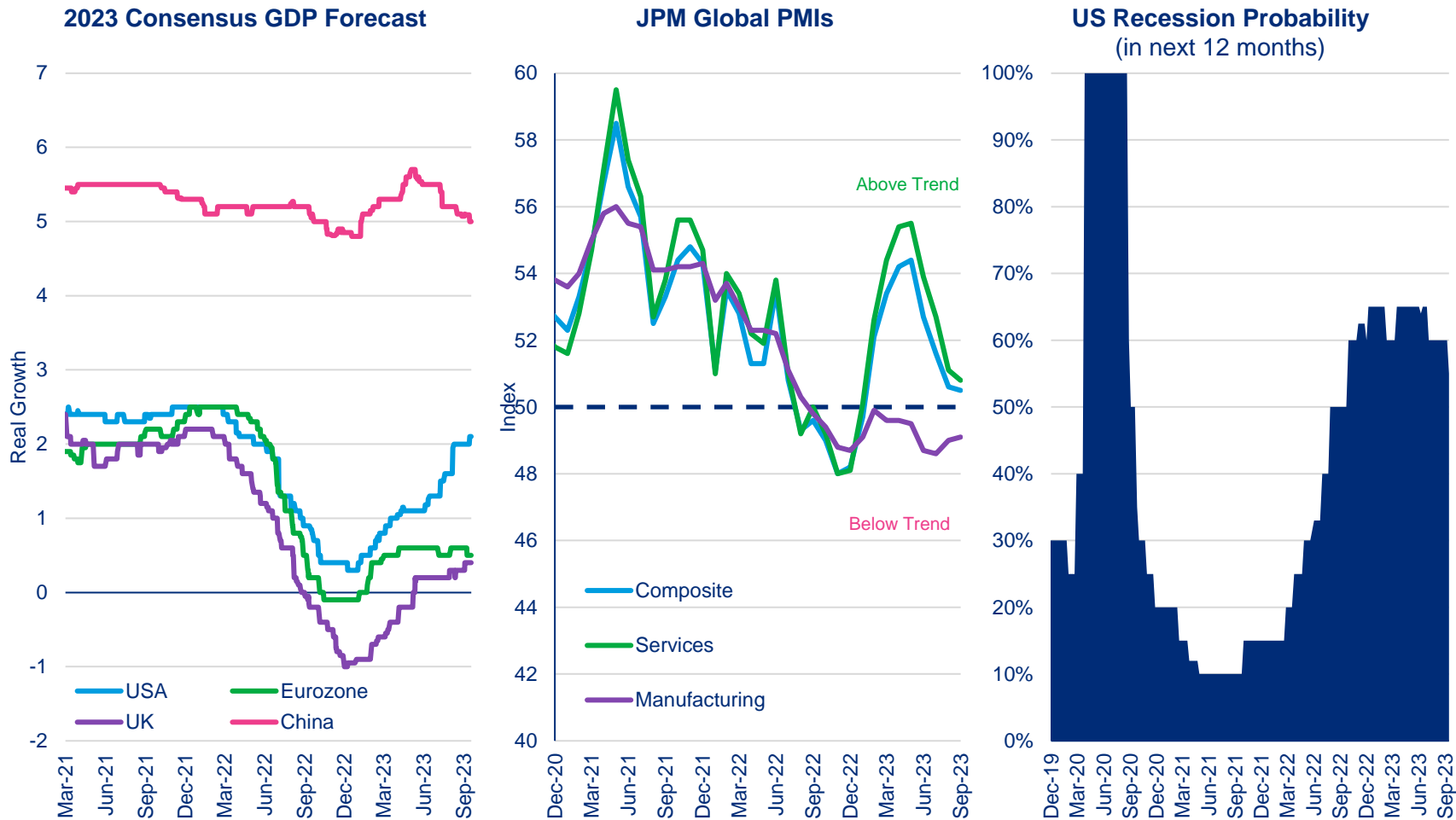
Source: Bloomberg, 2-year implied rate volatility based on swaption pricing, as of September 30, 2023.

Inflation remains a key interest of central banks



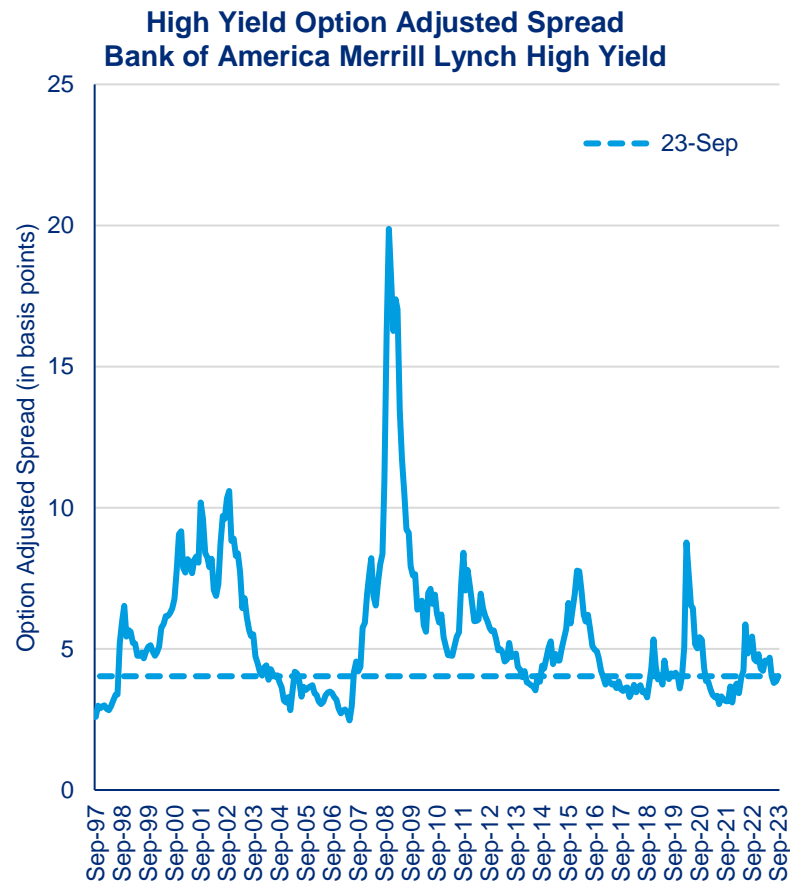
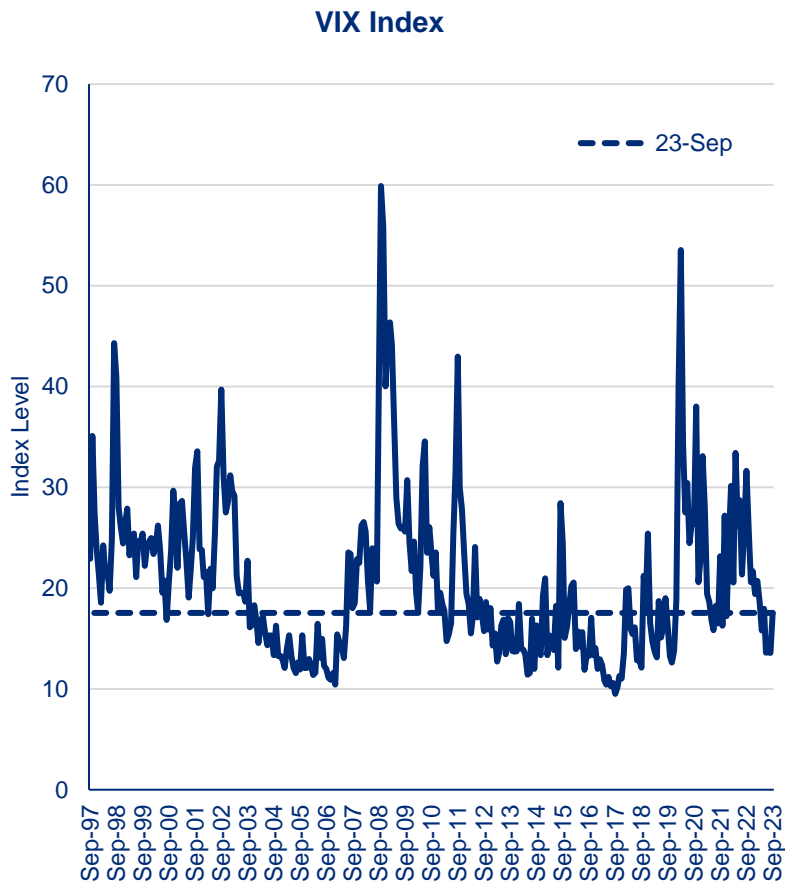
Source: Bloomberg, National Association of Realtors (NAR), Bureau of Labor Statistics, Hourly Earnings: Average Hourly Earnings of Production and Nonsupervisory Employees, as of September 30, 2023.

Economic surprises have improved expectations, but significant risks remain



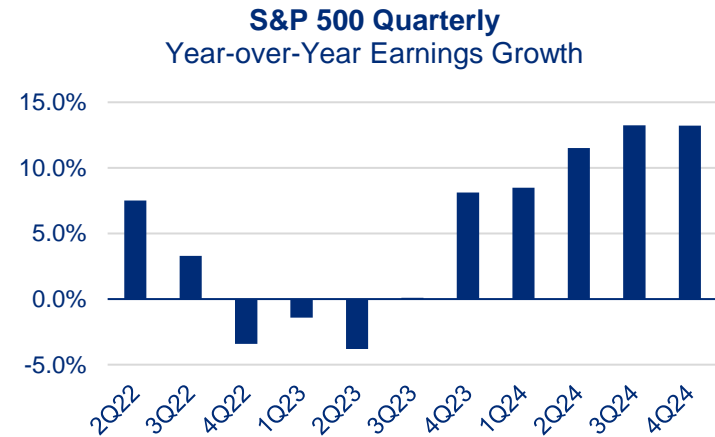
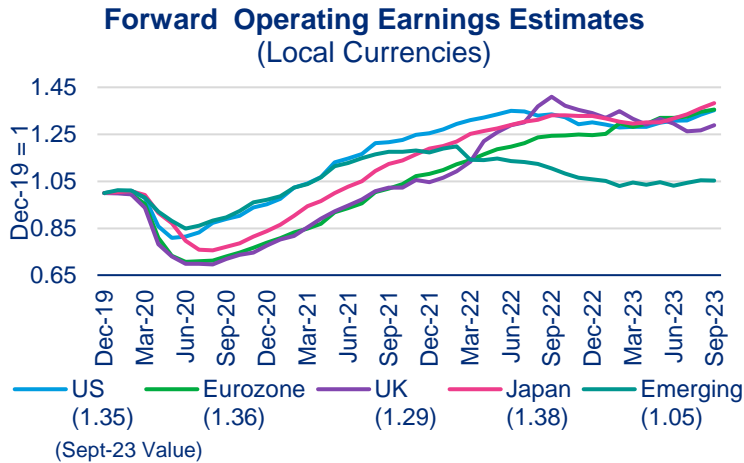
Source: Bloomberg, JP Morgan. Consensus GDP forecast data as of August 31, 2023.

Markets are pricing modest risk

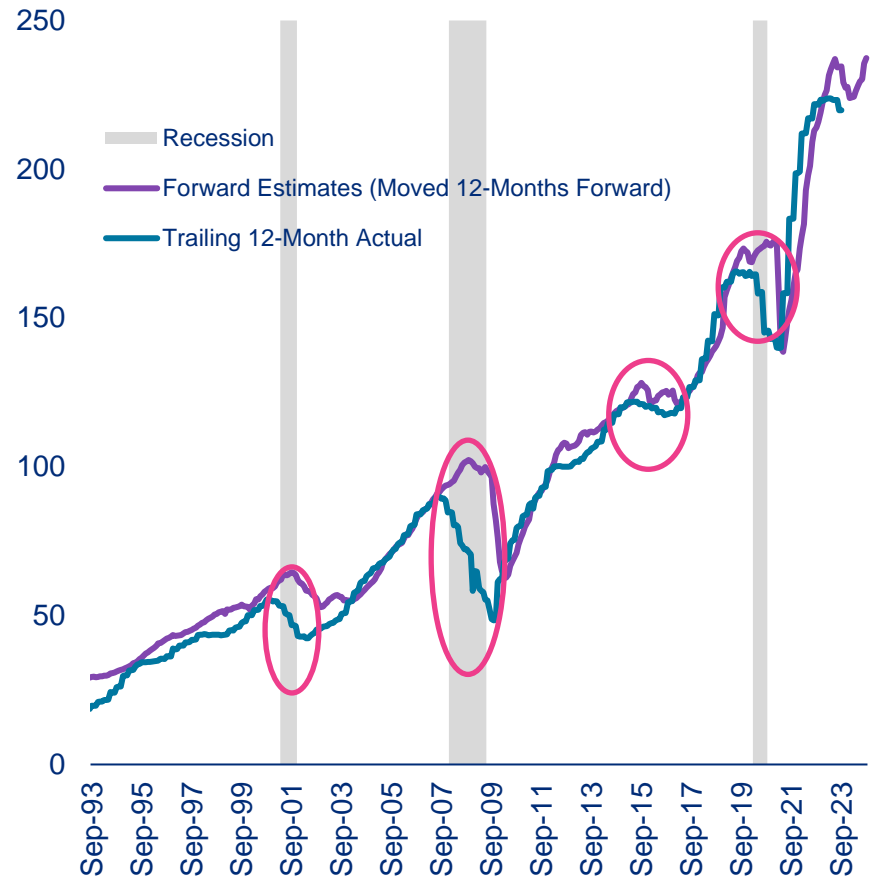


Source: St. Louis Federal Reserve FRED database. Consensus GDP forecast data as of September 30, 2023.

Earnings revisions have moderated

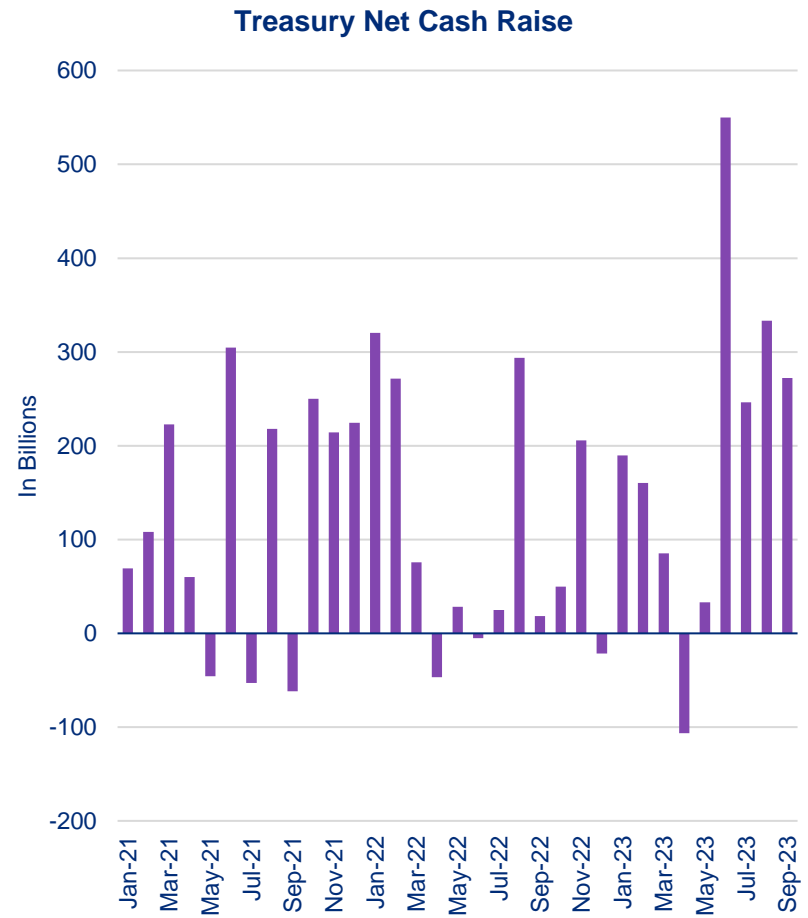
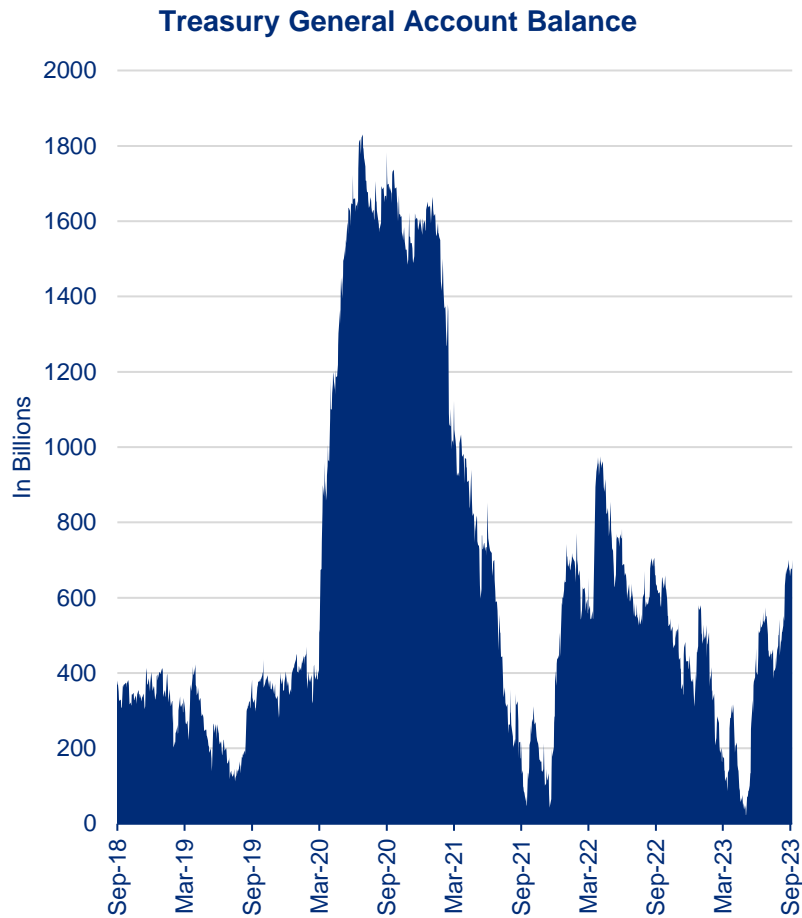


Earnings Per Share: S&P 500



Source: Institutional Brokers' Estimate System & Bloomberg, as of September 30, 2023.

Government debt issuance may affect Treasury volatility



Source: Bloomberg, SIFMA, as of September 30, 2023.



Discussion Materials

Portfolio Update

Performance Review – Foundation

August 31, 2023

	Performance Returns (%)								
	Market Value (\$)	1 Month	Year-to-Date	Last 1 Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years	Since 6/00
Catholic Comm. Foundation for E. South Dakota	\$135,767,471	(2.6)	9.3	8.2	4.9	5.6	6.0	6.4	5.6
Policy Return		(2.4)	9.1	9.1	5.1	5.5	5.9	6.6	5.6
70% MSCI ACWI (Net)/ 30% Bloomberg Aggregate		(2.1)	10.7	9.4	3.8	5.6	6.6	6.8	5.1
70% S&P / 30% Agg		(1.3)	13.3	10.8	6.1	8.2	9.5	8.1	6.3
S&P 500 Index		(1.6)	18.7	15.9	10.5	11.1	12.8	10.0	7.0
Russell 2000 Index		(5.0)	9.0	4.7	8.1	3.1	8.0	8.6	7.2
MSCI EAFE (Net)		(3.8)	10.9	17.9	6.1	4.1	4.9	6.3	3.6
MSCI Emerging Markets (Net)		(6.2)	4.6	1.3	(1.4)	1.0	3.0	7.8	6.0
Blmbg. U.S. Aggregate Index		(0.6)	1.4	(1.2)	(4.4)	0.5	1.5	3.1	3.8
CPI - All Urban Consumers (Unadjusted)		0.4	3.4	3.7	5.7	4.0	2.8	2.6	2.5

Note: Returns beyond 1 year are annualized. All returns are net of fees.

- Foundation assets were valued at \$135.8 million through August 31, 2023 and returned 8.2% over the trailing one-year period compared to 9.1% for the policy index.
- The **Domestic Equity Composite returned 13.2%** over the past year vs. 14.7% for the Dow Jones US Total Stock Market Index.
- The **International Equity Composite returned 11.5%** over the past year vs. 11.9% for the MSCI ACWI ex-US Index.
- The **Fixed Income Composite returned -1.4%** over the past year vs. -1.2% for the Bloomberg US Aggregate Index.
- The **Real Assets Composite returned -1.4%** over the past year vs. -5.5% for the Real Assets Blended Index.
- The **Alternatives Composite returned 4.1%** over the past year vs. 3.5% for the HFRI Fund of Funds Index.

Fiscal Year	Foundation	Returns		
		Policy Index	70% ACWI / 30% Agg	70% S&P 500 / 30% Agg
FY 2024	(0.3)	0.2	0.3	0.9
FY 2023	11.1	11.2	11.2	13.3
FY 2022	(13.3)	(12.5)	(14.0)	(10.3)
FY 2021	30.5	29.0	26.3	27.3
FY 2020	2.3	1.1	4.6	8.4
FY 2019	4.9	5.4	6.7	10.1
FY 2018	9.0	8.3	7.4	9.8
FY 2017	12.9	12.5	12.7	12.2
FY 2016	(1.9)	(1.7)	(0.7)	4.8
FY 2015	(3.7)	(3.2)	1.1	5.8
FY 2014	16.2	16.5	17.2	18.3
FY 2013	7.5	8.1	11.2	13.9
FY 2012	(3.1)	(1.0)	(2.0)	6.4
FY 2011	21.5	21.4	22.0	22.3
FY 2010	13.4	12.2	11.4	13.3
FY 2009	(19.3)	18.9	(19.3)	(17.1)
FY 2008	(0.1)	(0.1)	(4.3)	(7.2)
FY 2007	16.3	16.6	19.2	16.1
FY 2006	10.5	12.5	12.2	5.8
FY 2005	10.2	11.2	10.0	6.6
FY 2004	21.5	19.9	16.7	13.3
FY 2003	2.9	5.0	2.1	3.8
FY 2002	(4.9)	(4.6)	(7.8)	(10.4)
FY 2001	0.2	(6.6)	(11.8)	(7.3)

Note: Fiscal year ends 6/30.

Foundation Allocation, Objectives, and Cash Flows

August 31, 2023

Foundation Asset Allocation	Actual \$	Actual %	Target %
U.S. Large Cap	\$38,245,448	28%	25%
U.S. Large Cap Quality	\$18,076,669	13%	12%
U.S. Small Cap	\$8,254,683	6%	6%
International Large Cap	\$22,830,750	17%	20%
Emerging Markets	\$8,032,159	6%	7%
U.S. Fixed Income	\$24,601,351	18%	19%
U.S. Inflation Protected Fixed	\$4,162,723	3%	3%
Absolute Return	\$4,359,664	3%	3%
Liquid Real Assets	\$6,823,621	5%	5%
Cash	\$380,403	0%	0%
Total	\$135,767,471	100%	100%

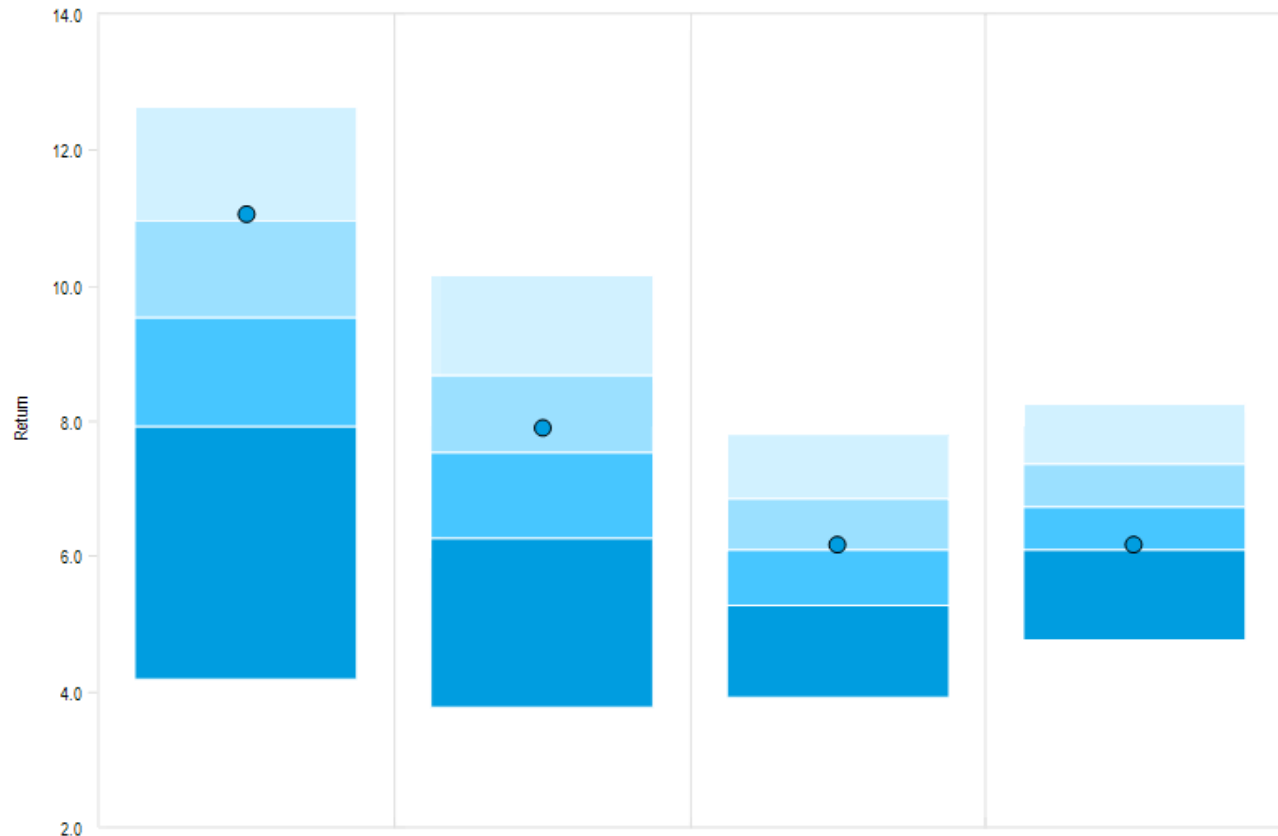
Note: Actual percentages may not add to 100% due to rounding.

Portfolio Objectives	
Distribution Rate	4.00%
Administrative Costs	1.60%
Real Growth	0.00%
Nominal Net Return Goal	5.60%
Forecasts (Foundation Policy Index)	
Return	
Long-Term Expected Return (20 years)	6.2%
10 Yr. Horizon Expected Return	6.3%
Risk	
1 Yr. Standard Deviation	13.5%
Sharpe Ratio	0.28
Probability of Achieving 7.20% Goal Return	
10 Years	35.5%
20 Years	31.7%

Note: Administrative Costs for Agency accounts is 0.45%.

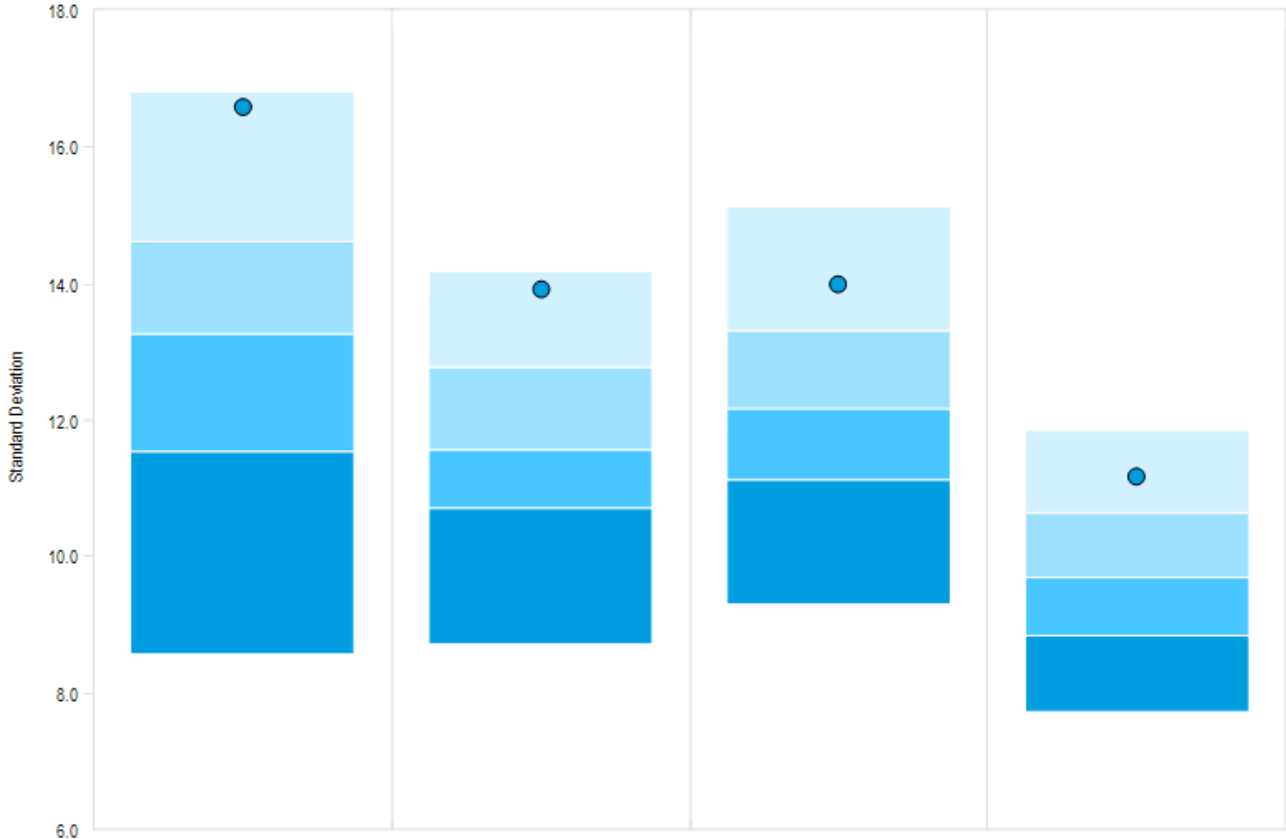
Sources of Portfolio Growth	1 Month	YTD	1 Year	5 Years
Beginning Market Value	\$139,304,507	\$124,124,868	\$125,379,277	\$106,533,331
Net Cash Flow	\$0	\$1,080	\$25,214	-\$3,110,927
Investment Earnings	-\$3,537,035	\$11,641,525	\$10,362,981	\$32,345,067
Ending Market Value	\$135,767,471	\$135,767,471	\$135,767,471	\$135,767,471

Peer Universe Return Rankings (All Foundations \$50M–250M) June 30, 2023



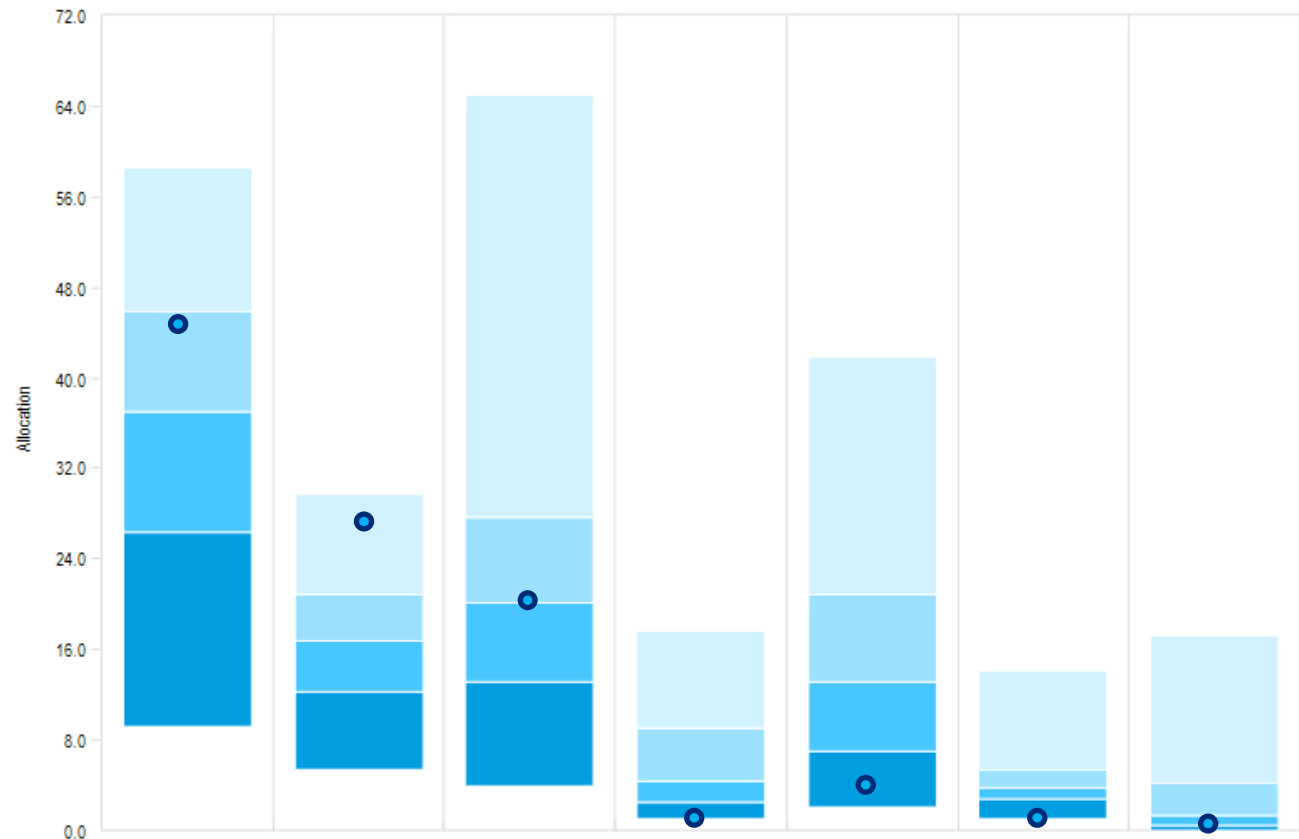
	1 Year	3 Year	5 Year	10 Year
● CATHOLIC FOUNDATION FOR EASTERN SOUTH DAKOTA	11.07 (23)	7.91 (43)	6.17 (48)	6.18 (71)
5th Percentile	12.64	10.17	7.80	8.28
1st Quartile	10.97	8.68	6.87	7.36
Median	9.52	7.53	6.10	6.73
3rd Quartile	7.94	6.27	5.28	6.10
95th Percentile	4.19	3.76	3.92	4.77
Population	136	120	114	100

Peer Universe Risk Rankings (All Foundations \$50M–250M) June 30, 2023



	1 Year	3 Year	5 Year	10 Year
● CATHOLIC FOUNDATION FOR EASTERN SOUTH DAKOTA	16.58 (6)	13.93 (8)	14.00 (15)	11.17 (11)
5th Percentile	16.81	14.20	15.14	11.85
1st Quartile	14.64	12.77	13.32	10.64
Median	13.27	11.57	12.18	9.69
3rd Quartile	11.53	10.70	11.13	8.84
95th Percentile	8.59	8.71	9.30	7.73
Population	136	120	114	100

Peer Universe Asset Allocation (All Foundations \$50M–250M) June 30, 2023



	US Equity	Global ex-US Equity	US Fixed	Global ex-US Fixed	Alternatives	Total Real Estate	Cash & Equivalents
● CATHOLIC FOUNDATION FOR EASTERN SOUTH DAKOTA	45.00	30.00	22.00		3.00		
5th Percentile	58.58	29.71	64.96	17.62	41.80	14.12	17.27
1st Quartile	45.87	20.87	27.65	9.08	20.82	5.36	4.19
Median	36.96	16.81	20.12	4.33	13.11	3.83	1.34
3rd Quartile	26.42	12.27	13.10	2.46	6.96	2.71	0.43
95th Percentile	9.16	5.42	3.97	1.00	2.01	1.04	0.04
Population	192	192	186	26	132	72	154

Manager Outliers

- *Outperformers for the past 12 months through 08/31/2023:*
 - **DFA Emerging Markets Social Core** returned 6.4% vs. 1.3% for the MSCI Emerging Markets Index.
 - **Lazard Global Listed Infrastructure** returned 1.7% vs. -7.0% for its Custom Infrastructure Index.
- *Underperformers for the past 12 months through 08/31/2023:*
 - **Boston Common Catholic Int'l Equity** returned 9.0% vs. 17.9% for the MSCI EAFE Index.
 - **Lighthouse SRI Global Long/Short Fund Ltd.** returned 4.1% vs. 6.8% for the HFRI Equity Hedge.

Reference Materials





Reference Materials

Objectives

Recap of Recent Actions and Discussion

AUGUST 2023

- Mercer provided an overview of potential replacement options for Boston Common. The Committee approved replacing Boston Common with SSgA MSCI ACWI ex-US Screened Index Fund.

APRIL 2023

- Mercer provided a review of international developed equity manager performance. The Investment Committee approved replacing Boston Common with a manager decision to come at a following meeting.
- Mercer provided an annual review of the Investment Policy Statement.

JANUARY 2023

- Mercer provided an overview of U.S. vs Non-US equity, including a comparison to peer portfolios. The Committee discussed potential adjustments to the asset allocation based on the analysis, but no portfolio changes were made.

OCTOBER 2022

- Mercer provided information on the number of public vs. private companies following discussion at the August meeting. Additionally, Mercer provided a primer on private equity.

AUGUST 2022

- Mercer provided an update on the CBIS Bond Fund, noting the Fund added an Impact Bond Manager to the current mix of managers.
- Mercer provided background on the CIS Catholic Impact Fund II, following a meeting Foundation staff had with Catholic Investment Services. The Committee discussed and concluded the Foundation should not pursue private investments at this time.

APRIL 2022

- The Committee discussed an update on additional inflation protection options which were discussed at previous meetings. No portfolio changes were made. The Committee also discussed the new USCCB guidelines. No policy changes were made as the Foundation is still working through analyzing the updated guidelines.

JANUARY 2022

- The committee discussed a potential allocation to multi-asset credit amid higher inflation and interest rates. No portfolio changes were made.

NOVEMBER 2021

- No portfolio changes were made.

Investment Policy Statement Excerpts

Objectives

- **Return:** The long-term objective of the Foundation is to provide reliable and sustainable income for the current needs of beneficiaries and to perpetuate the resources of the Foundation for future generations. Therefore, the minimum investment return from the Foundation’s portfolio needs to be sufficient to offset spending and expenses. The fund has adopted a “total return” investment approach. Current income is considered a secondary consideration.
- **Risk:** The Diocesan Investment Committee will permit the Fund to experience an overall level of risk consistent with the risk generally associated with such Committee’s policy asset allocation.

Objectives	
Distribution Rate	4.00%
Administrative Costs	1.60%
Real Growth	0.00%
Nominal Net Return Goal	5.60%

Note: Administrative costs for Agency accounts is 0.45%.

- The minimum return needs were determined by the Foundation, as detailed in the table shown above.
- Returns above the minimum are deemed applied toward inflation.

Investment Policy Statement Excerpts

Spending

- The Foundation's policy shall be that a Spending Rate not to exceed 4.0% is appropriate to meet the needs of the beneficiaries. This Spending Rate will be reviewed periodically by the Board and its Finance Committee in light of evolving trends with respect to the economic cycle, investment outlook, investment/market returns, as well as the needs of beneficiaries.

SPENDING RATE CALCULATION

- It shall be the policy of the Foundation to distribute annually, an amount equal to the product of the most recent twelve-quarter moving average of the investment portfolio's market value, multiplied by the Spending Rate. This amount shall not exceed the product of the spending rate plus 1%, multiplied by the investment portfolio's current market value.

Investment Policy Statement Excerpts

Constraints

- **Liquidity:** Due to the long term investment horizon of the fund, liquidity is of secondary concern. The Foundation should maintain sufficient funds to provide for annual spending and expenses.
- **Time Horizon:** The Foundation has an infinite life and should be managed with a time horizon of fifty to one-hundred years.
- **Taxes:** The Foundation fund has a tax-exempt status. All actions of the Diocesan Investment Committee should be taken in recognition and preservation of this status.
- **Legal and Regulatory:** Must comply with applicable laws and regulations, plus fiduciary standard of care.
- **Unique Circumstances:** Investments shall be made not only to meet the objectives of investment and economic performance, but also to meet the objectives of social and moral responsibility and of supporting business that is in harmony with moral and social teachings of the Catholic Church.

Investment Policy Statement Excerpts

Asset Allocation

- The single most important decision made by the Foundation is the Policy Asset Allocation decision.
- The Policy Asset Allocation of the Foundation is designed to give balance to the overall structure of the Foundation's investment program over the Time Horizon. However, some factors may impact the Policy Asset Allocation, thereby requiring an asset allocation review and possible rebalancing. Some of these factors include:
 1. The Diocesan Investment Committee's assessment of the intermediate or long term outlook for different types of asset classes and styles;
 2. The Consultant's assessment of the intermediate or long term outlook for different types of asset classes and styles;
 3. Divergence in the performance of the different asset classes and styles from the Policy Asset Allocation; and
 4. In responding to the changing outlook for the asset classes, the Diocesan Investment Committee may from time to time recommend to the Board revisions to the Policy Asset Allocation.

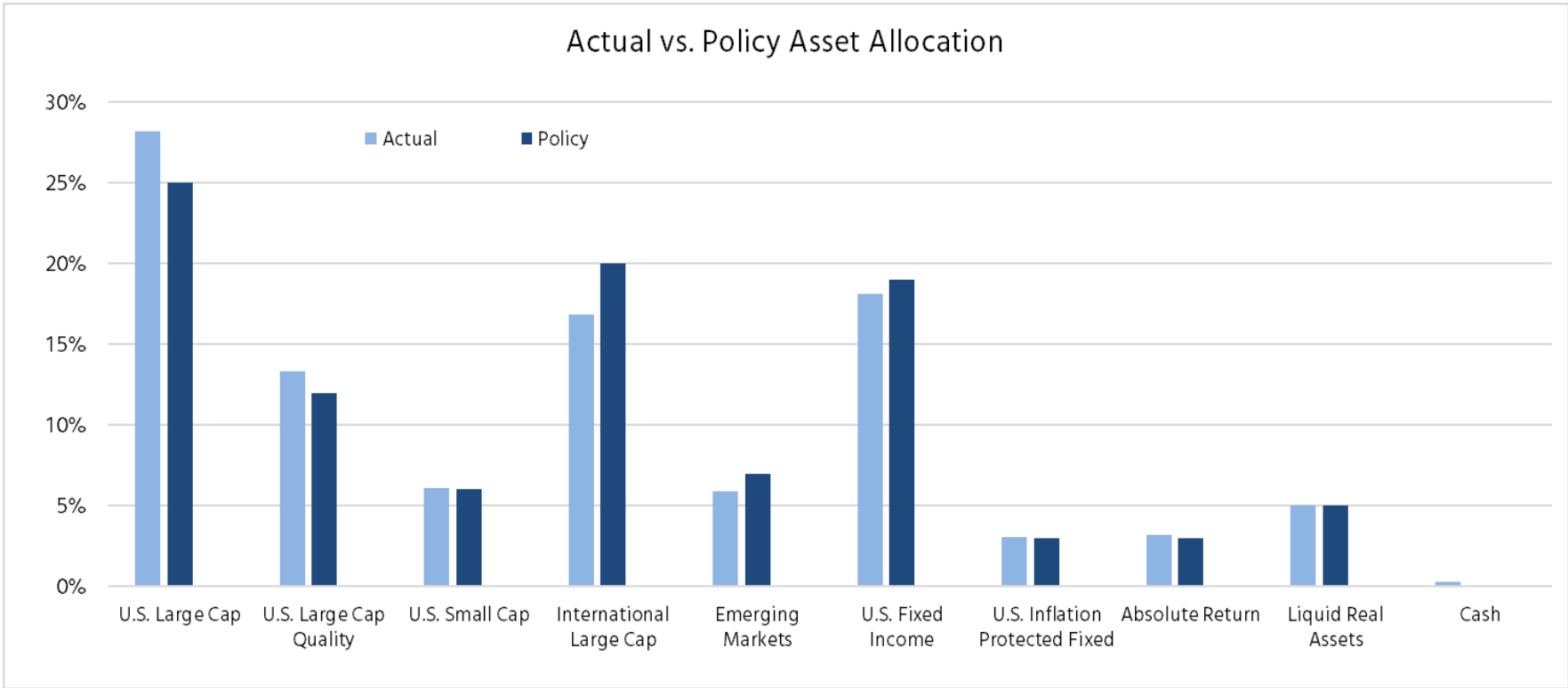


Reference Materials

Asset Allocation

Actual vs. Policy Allocation

August 31, 2023

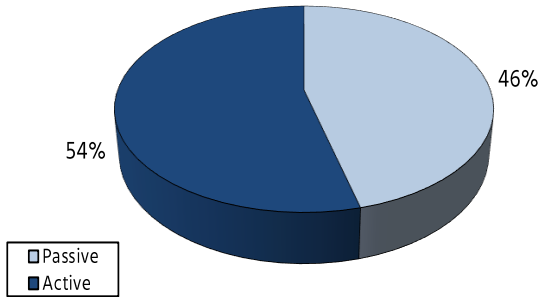


- The chart above shows the Foundation’s current actual and policy target allocations.

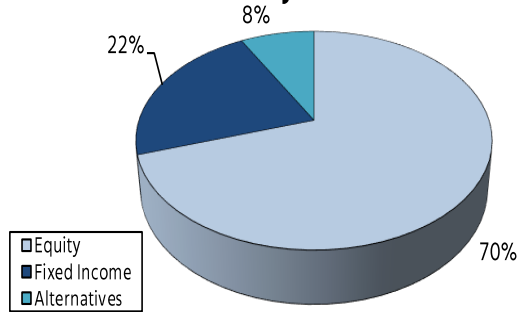
Asset Allocation Policy

Catholic Community Foundation

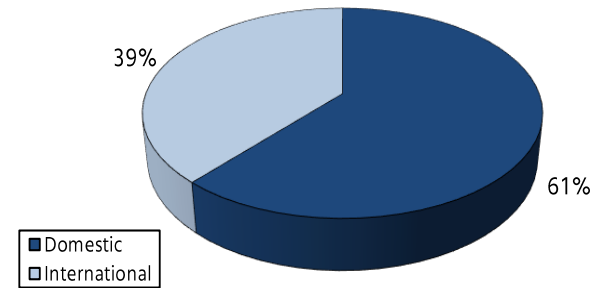
Active/Passive Allocation



Policy Allocation



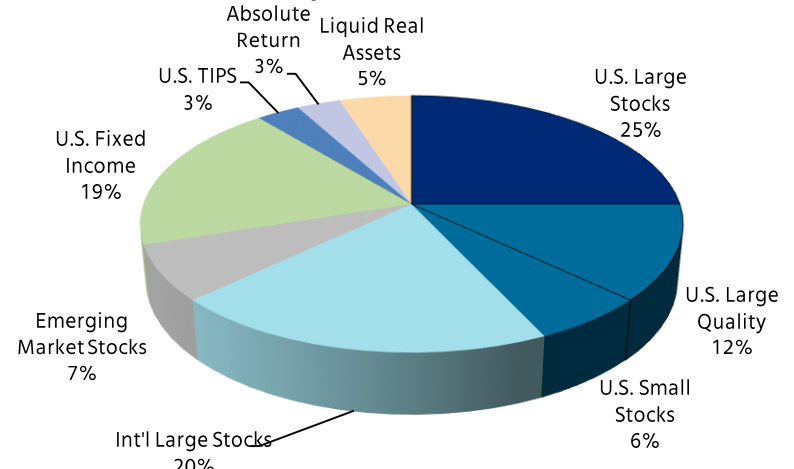
Domestic/International Allocation



Portfolio Objectives	
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Administrative Costs	1.60%
Real Growth	0.00%
Nominal Net Return Goal	5.60%
Forecasts (Foundation Policy Index)	
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1 Yr. Standard Deviation	13.5%
Sharpe Ratio	0.28
Probability of Achieving 7.20% Goal Return	
10 Years	35.5%
20 Years	31.7%

Note: Administrative Costs for Agency accounts is 0.45%.

Policy Asset Allocation





Reference Materials

Manager Review

Catholic Responsible Investing Summary

Asset Class	Product Name	Format	SRI	Note on Screening
U.S. Large Cap	Crossmark - Large-Cap Core	Separate	Yes	Screened per the IPS guidelines for ethical Catholic investing
	Crossmark - Large-Cap Quality	Separate	Yes	Screened per the IPS guidelines for ethical Catholic investing
U.S. Small Cap	CBIS Core Equity Index Fund	Commingled	Yes	Consistent with the guidelines for ethical Catholic investing
	CBIS Small Cap Index Fund	Commingled	Yes	Consistent with the guidelines for ethical Catholic investing
Int'l Large Cap	Boston Common International Equity	Separate	Yes	Screened per the IPS guidelines for ethical Catholic investing
Int'l Emerging Mkts	CBIS International Equity	Commingled	Yes	Screened per the IPS guidelines for ethical Catholic investing
	DFA Emerging Markets Social Core	Mutual Fund	Yes	Consistent with the guidelines for ethical Catholic investing
Domestic Fixed Income	First National Bank Bond	Separate	N/A	Government focused investments
	Vanguard Inflation Protected Securities	Mutual Fund	N/A	U.S. Treasury investments
	CBIS Intermediate Div. Bond	Mutual Fund	Yes	Consistent with the guidelines for ethical Catholic investing
Real Assets	SPDR DJ Global Real Estate ETF	ETF	Yes	Invests in sectors with companies that do not violate IPS guidelines
	Lazard Global Listed Infrastructure	Mutual Fund	Yes	Invests in sectors with companies that do not violate IPS guidelines
Alternative Assets	Lighthouse SRI Global Long / Short	Commingled	Yes	Consistent with the guidelines for ethical Catholic investing

- The Foundation currently has eleven mandates that adhere to the investing guidelines set forth by the Foundation Investment Policy Statement (IPS).
- The two Real Assets managers invest in sectors (real estate, infrastructure) that, by their nature, do not violate the IPS investment guidelines.
- Mercer reviews the manager holdings annually to verify compliance with the CFESD IPS guidelines, which in turn are based on the USCCB ethical investing guidelines.

Catholic Community Foundation Managers

August 31, 2023

Name	\$(000) Value	% of Fund	YTD	1 Year	3 Yrs	5 Yrs	10 Yrs	20 Yrs	Since Inception	Inception Date
Catholic Community Fdtn. for Eastern South Dakota	135,767	100.0	9.3	8.2	4.9	5.6	6.0	6.4	5.6	Jan-00
Domestic Equity Composite	64,577	47.6	14.4	13.2	9.8	10.0	11.7	9.3	7.5	Jun-00
Dow Jones US Total Stock Index			18.1	14.7	9.7	10.1	12.1	10.0	7.2	
CBIS Core Equity Index Fund 'B'	17,963	13.2	19.5	15.7	10.1	11.2	12.9	-	13.1	Oct-10
S&P 500			18.7	15.9	10.5	11.1	12.8	-	13.2	
Crossmark Large Cap	20,282	14.9	18.3	15.0	9.9	10.8	12.6	-	12.2	Mar-12
Blended Index			18.6	15.4	9.9	10.8	12.6	-	12.3	
S&P 500			18.7	15.9	10.5	11.1	12.8	-	13.2	
Crossmark Large Cap Quality	18,077	13.3	9.2	12.9	9.5	10.9	11.6	-	10.2	Mar-08
Dividend Achievers Select Index			8.5	12.6	9.8	10.5	11.5	-	9.9	
S&P 500			18.7	15.9	10.5	11.1	12.8	-	13.2	
CBIS Small Cap Index Fund 'B'	8,255	6.1	7.1	4.9	12.3	3.7	-	-	7.3	Nov-13
Russell 2000/S&P 600 Spliced Index			7.2	5.5	12.6	3.8	-	-	7.6	
International Equity Composite	30,863	22.7	9.4	11.5	2.1	3.1	4.2	6.2	4.4	Jun-00
MSCI ACWI Ex US Index			8.8	11.9	4.0	3.3	4.4	6.3	3.8	
Boston Common Catholic Int'l Equity	10,248	7.5	6.0	9.0	-0.9	1.3	-	-	4.1	Nov-15
MSCI EAFE			10.9	17.9	6.1	4.1	-	-	5.3	
CBIS Int'l Equity Fund 'B'	12,583	9.3	13.2	17.3	4.6	5.0	-	-	6.9	Nov-15
MSCI EAFE			10.9	17.9	6.1	4.1	-	-	5.3	
DFA Emerging Markets Social Core	8,032	5.9	8.3	6.4	3.4	2.3	-	-	0.6	Apr-18
MSCI EM			4.6	1.3	-1.4	1	-	-	-0.7	

Note: Returns beyond 1 year are annualized. All return are net of fees.

- Individual manager underperformance by more than 1.5% relative to their respective benchmark is highlighted in red above.
- Individual manager outperformance by more than 1.5% relative to their respective benchmark is highlighted in green above.

Catholic Community Foundation Managers

August 31, 2023

Name	\$(000) Value	% of Fund	YTD	1 Year	3 Yrs	5 Yrs	10 Yrs	20 Yrs	Since Inception	Inception Date
Catholic Community Fdtn. for Eastern South Dakota	135,767	100.0	9.3	8.2	4.9	5.6	6.0	6.4	6.4	Jan-00
Fixed Income Composite	28,764	21.2	1.9	-1.4	-3.0	1.3	1.6	3.4	3.4	Jun-00
Bloomberg US Aggregate			1.4	-1.2	-4.4	0.5	1.5	3.1	3.8	
First National Bank Bond*	9,428	6.9	2.2	-0.5	-3.1	0.7	1.4	-	2.0	Nov-08
50% BBgBarc Agg/50% Merrill 1-5 Yr GC			1.6	0.0	-2.9	0.9	1.4	-	2.3	
CBIS Intermediate Diversified Bond Fund 'B'	15,173	11.2	1.9	-1.3	-3.3	1.4	2.0	-	1.6	Dec-12
Bloomberg US Aggregate			1.4	-1.2	-4.4	0.5	1.5	-	1.1	
Vanguard Inflation-Protected Securities Admiral Shares	4163	3.1	1.1	-3.9	-1.6	-	-	-	-0.1	Apr-20
BBgBarc US TIPS			1.1	-3.7	-1.5	-	-	-	0.0	
Real Assets Composite	6,824	5.0	3.0	-1.4	5.8	0.3	2.0	4.7	4.7	Jun-00
Real Assets Blended Index			0.5	-5.5	4.3	-0.4	1.7	5.7	6.2	
SPDR Dow Jones Global Real Estate ETF	3,738	2.8	2.2	-4.0	3.7	0.1	-	-	1.9	Aug-14
DJ Global Select Real Estate Securities Index			2.3	-4.5	3.2	-0.3	-	-	1.6	
Lazard Global Listed Infrastructure Portfolio	3,085	2.3	3.8	1.7	8.7	6.6	10.0	-	10.1	Jun-11
Custom Infrastructure Index (USD Hedge)			-2.3	-7.0	5.6	6.3	8.7	-	8.8	
Alternatives Composite	4,360	3.2	2.4	4.1	8.7	7.0	3.4	-	4.6	Apr-05
HFRI Fund of Funds Composite			3.4	3.5	3.9	3.5	3.5	-	3.1	
Lighthouse Global Long / Short SRI	4,360	3.2	2.4	4.1	8.7	-	-	-	7.5	Nov-18
HFRI Equity Hedge			7.0	6.8	6.8	-	-	-	7.1	

*Prior to 4/08 this was a Treasury-only mandate, with a 9/1999 inception. Returns beyond one year are annualized. All returns are net of fees.

- Individual manager underperformance by more than 1.5% relative to their respective benchmark is highlighted in red above.
- Individual manager outperformance by more than 1.5% relative to their respective benchmark is highlighted in green above.

Manager Universe Rankings

August 31, 2023

Asset Class	Manager	Inception Date		3 Year	5 Year
U.S. Large Core Stocks	CBIS Core Equity Index Fund	Oct-10	Return Risk	18 51	23 49
	Crossmark Large Cap	Mar-12	Return Risk	27 38	34 34
U.S. Large Quality Stocks	Crossmark Large Quality	Mar-08	Return Risk	36 10	26 5
U.S. Small Cap Stocks	CBIS Small Cap Index Fund	Nov-13	Return Risk	45 67	67 55
International Large Stocks	Boston Common International Equity	Nov-15	Return Risk	84 58	70 39
	CBIS International Equity	Nov-15	Return Risk	33 71	14 58
Emerging Markets	DFA Emerging Markets Social Core	Apr-18	Return Risk	25 29	31 41
U.S. Fixed Income	First National Bank Bond	Nov-08	Return Risk	53 37	76 32
	CBIS Intermediate Diversified	Dec-12	Return Risk	68 95	11 91
Real Assets	SPDR Dow Jones Global Real Estate	Mar-05	Return Risk	13 73	58 76
	Lazard Global Listed Infrastructure	Jun-11	Return Risk	9 1	1 0

3 Year	5 Year
First	First
Second	Second
Second	Second
Second	Third
Fourth	Third
Second	First
First	Second
Third	Fourth
Third	First
First	Third
First	First

Return Rankings: 1-25 represents top quartile, 26-75 represents second and third quartiles, 76-100 represent bottom quartile.

Risk Rankings: Numbers closer to zero represent lowest peer-relative volatility while numbers closer to 100 represent the highest peer-relative volatility.

Peer Return Rankings Distribution				
	3 Years		5 Years	
1st Quartile Managers	4	36%	4	36%
2nd Quartile Managers	4	36%	3	27%
3rd Quartile Managers	2	18%	3	27%
4th Quartile Managers	1	9%	1	9%

Portfolio Fee Analysis – Foundation

August 31, 2023

Manager	Policy	Market Value (\$)	Expense Ratio (%)	Estimated Annual Fee (\$)	Morningstar Category Avg. (%) ³
CBIS Core Equity Index	12%	17,963,393	0.09	16,167	0.91
Crossmark Large Cap	13%	20,282,056	0.17	34,479	0.84
Crossmark Large Cap Quality	12%	18,076,669	0.17	30,730	0.85
CBIS Small Cap Index	6%	8,254,683	0.29	23,939	1.02
Boston Common Catholic Int'l Equity ¹	10%	10,247,756	0.86	88,131	0.91
CBIS International Equity Fund 'B'	10%	12,582,994	0.82	103,181	0.97
DFA Emerging Markets Social Core	7%	8,032,159	0.44	35,341	1.14
First National Bank Bond ¹	7%	9,428,041	0.10	9,428	0.75
CBIS Intermediate Diversified Bond Fund ¹	12%	15,173,310	0.36	54,624	0.75
Vanguard Inflation Protected Securities	3%	4,162,723	0.10	4,163	0.59
Lighthouse SRI Global Long / Short	3%	4,359,664	1.00	43,597	
Lazard Global Listed Infrastructure ¹	2%	3,085,411	0.97	29,928	1.07
SPDR Dow Jones Global Real Estate ETF	3%	3,738,211	0.50	18,691	1.21
Cash Account	0%	380,403	-	-	-
Total Weighted Average		135,767,473	0.36	492,399	0.87
Weighted Average Custody Fees ²			0.01	9,428	
Consulting Fees			0.07	100,000	
Portfolio Total			0.44%	601,827	

Fee Analysis: The portfolio weighted total estimated fee is 44 basis points.

¹ Denotes active manager

² First National Bank custody fees (10bps) applies to FNB accts only

³ Category average fees are based on Morningstar categories as of 6/30/2023.

Liquidity Analysis – Asset Classes

August 31, 2023

Asset Class				
Domestic Equity	Liquidity	Days Notice	CCF Actual Allocation	CCF Policy Allocation
CBIS Core Equity Index Fund 'B'	Daily	1	13.2%	12.0%
Crossmark Large Cap	Daily (T+3)	1	14.9%	13.0%
Crossmark Large Cap Quality	Daily (T+3)	1	13.3%	12.0%
CBIS Small Cap Index Fund	Daily	1	6.1%	6.0%
International Equity	Liquidity	Days Notice	CCF Actual Allocation	CCF Policy Allocation
Boston Common Catholic Int'l Equity	Monthly	5	7.5%	10.0%
CBIS Int'l Equity Fund 'B'	Daily	1	9.3%	10.0%
DFA Emerging Markets Social Core	Daily	1	5.9%	7.0%
Fixed Income	Liquidity	Days Notice	CCF Actual Allocation	CCF Policy Allocation
First National Bank Bond	Daily	1	6.9%	7.0%
CBIS Intermediate Diversified Bond Fund 'B'	Daily	1	11.2%	12.0%
Vanguard Inflation Protected Securities	Daily	1	3.1%	3.0%
Schwab Money Market Fund	Daily	1	0.0%	0.0%
Real Assets	Liquidity	Days Notice	CCF Actual Allocation	CCF Policy Allocation
SPDR Dow Jones Global Real Estate ETF	Daily (T+2)	1	2.8%	3.0%
Lazard Global Listed Infrastructure Portfolio	Daily	1	2.3%	2.0%
Absolute Return	Liquidity	Days Notice	CCF Actual Allocation	CCF Policy Allocation
Lighthouse SRI Global Long / Short	Monthly	90	3.2%	3.0%

Note: Numbers may not add to 100% due to rounding. Boston Common requests a notice of redemption five business days before the first of the month.

Appendix I

Asset Allocation Assumptions



Asset class return expectations

	Equilibrium Return	Standard Deviation	20-Year Horizon Return	10-Year Horizon Return	High Vol Standard Deviation	Lowest Likely Return
Growth Assets						
US Large Stocks	6.5	18.0	5.8	5.1	27.1	-35.4
US Large Value Stocks	6.5	18.0	5.8	5.1	27.1	-35.4
US Large Growth Stocks	6.5	18.0	5.8	5.1	27.1	-35.4
US Large Quality Stocks	6.6	13.7	5.9	5.2	20.6	-25.9
US Mid Stocks	6.7	19.6	6.1	5.5	29.5	-38.4
US Small / Mid Stocks	6.8	20.6	6.2	5.6	30.8	-40.3
US Small Stocks	6.9	22.2	6.4	5.9	33.2	-43.4
Intl Large Stocks	6.4	20.1	6.6	6.5	30.1	-38.4
Intl Large Quality Stocks	6.4	13.3	6.0	5.5	19.9	-24.6
Intl Small Stocks	6.9	22.4	7.2	7.1	33.6	-42.8
Emerging Market Stocks	7.1	26.4	7.6	8.0	39.6	-50.4
Global Stocks	6.6	18.5	6.2	5.9	27.7	-35.5
Emerging Market Debt (Local)	4.6	11.8	6.0	7.1	17.7	-19.7
US High Yield Fixed	5.5	11.1	5.7	6.0	16.7	-19.3
Private Debt	6.1	11.7	6.6	7.0	17.6	-19.5
Private Equity / Special Situations	9.7	21.9	9.4	8.9	32.8	-39.8
Venture Capital	10.0	27.9	9.6	9.1	41.8	-52.4
Risk Reduction Assets						
Cash	2.5	1.3	3.0	3.4	1.9	0.4
US Treasuries	3.3	5.2	3.7	4.0	7.7	-7.8
US Short Duration Fixed Income	3.4	2.5	3.7	4.1	3.8	-1.8
US Long Treasuries	3.4	12.4	3.9	4.5	18.6	-23.6
US I/G Corporate Bonds	4.0	6.6	4.4	4.8	9.9	-10.4
US Senior/Leveraged Loans	4.5	8.3	5.3	6.1	12.5	-12.9
US Long I/G Corp	4.0	11.3	4.4	4.9	16.9	-20.7
US MBS	3.8	5.2	4.1	4.5	7.8	-7.5
US Broad Fixed Income	3.6	4.9	4.0	4.4	7.4	-6.9
US Municipal Bonds	3.0	5.7	3.3	3.6	8.5	-9.5
Global Fixed Income	3.4	5.6	3.6	3.9	8.4	-9.0
Defensive Hedge Funds	5.5	7.4	5.8	6.2	11.1	-10.8
Liquid Absolute Return	5.0	8.9	5.3	5.7	13.4	-14.7
Inflation Protected Assets						
US Inflation Protected Fixed	3.1	5.2	3.7	4.3	7.9	-7.7
Global Real Estate - Private	7.8	14.7	7.8	7.8	22.1	-25.4
Global Real Estate - REITS	6.4	20.7	5.9	5.4	31.1	-40.9
Infrastructure - Listed	6.4	16.2	6.0	5.7	24.3	-30.8
Infrastructure - Value Added	8.2	18.4	8.0	7.8	27.7	-33.6
Natural Resources - Listed	6.4	23.9	6.0	5.6	35.8	-47.3
Natural Resource Stocks - Private	8.8	24.3	8.6	8.3	36.4	-45.6
Liquid Real Assets	5.7	13.2	7.2	7.1	19.9	-39.3
Private Real Assets	7.9	14.7	8.6	8.4	22.1	-42.6

Equilibrium Expected Return: Equilibrium expected returns reflect the expected return on asset classes when interest rates and other valuation metrics are at our estimate of fair value. They are not affected by current conditions. When developing equilibrium assumptions for asset classes we analyze historical data and expected forward-looking conditions.

10-Year Horizon Return: The 10-year horizon return reflects returns based on current market conditions. We assume that interest rates and other valuation metrics revert from current levels to their equilibrium levels over a 10 year period.

20-Year Horizon Return: The 20-year horizon returns utilize the 10-year expected returns over the first 10 years (reversion period), and then assume equilibrium expected returns are earned over the next 10 years.

Standard Deviation: This statistic quantifies the expected variability of returns around their mean. Both returns above and below the expected return are included in this risk measure. There is roughly a two out of three chance that the return in any given year will fall within the range bounded by the expected return plus or minus the standard deviation. The standard deviation expectations are based on a combination of realized historical results and expected forward-looking conditions. The high volatility regime expectations represent our estimate of risk in an environment where volatility spikes and correlations between assets increase significantly.

Mercer's approach to developing equilibrium expected returns blends realized historical results and an examination of current conditions. In developing the forecasts, we begin by averaging historical data for the longest period available to determine how much investors have been rewarded for exposure to risk factors in the past. We then use internal and external research to identify structural reasons that risk premiums in the future might be different than those experienced in the past, and adjust our forecasts accordingly. This methodology generally results in lower return forecasts, particularly for equity asset classes, than have been experienced in the past. The return expectations do not include manager alpha except for absolute return strategies. The expected return in excess of cash for absolute return strategies consists mostly of expected alpha.

Expected return, volatility, and correlation are hypothetical projections and are derived using Mercer's forward-looking Capital Market Assumptions methodology. There can be no assurance that these results can be achieved. Actual results are likely to vary. Please see Important Notices for further information on Risk and Return Expectations.

Glossary of Terms

- **Equilibrium Expected Return** - Equilibrium expected returns reflect the expected return on asset classes when interest rates and other valuation metrics are at our estimate of fair value. They are not affected by current conditions. When developing equilibrium assumptions for asset classes we analyze historical data and expected forward-looking conditions.
- **10-Year Horizon Return** - The 10-year horizon return reflects returns based on current market conditions. We assume that interest rates and other valuation metrics revert from current levels to their equilibrium levels over a 10-year period.
- **20-Year Horizon Return** - The 20-year horizon returns utilize the 10-year expected returns over the first 10 years (reversion period), and then assume equilibrium expected returns are earned over the next 10 years.
- **Standard Deviation** - This statistic quantifies the expected variability of returns around their mean. Both returns above and below the expected return are included in this risk measure. There is roughly a two out of three chance that the return in any given year will fall within the range bounded by the expected return plus or minus the standard deviation. The standard deviation expectations are based on a combination of realized historical results and expected forward-looking conditions. The high volatility regime expectations represent our estimate of risk in an environment where volatility spikes and correlations between assets increase significantly.
- **Sharpe Ratio** - The Sharpe Ratio is a measure of risk-adjusted returns. It is the amount of return obtained (above the risk-free rate) for each unit of risk incurred; therefore, higher Sharpe Ratios indicate a more favorable reward/risk tradeoff. Mathematically, it is the expected return of the portfolio less the risk-free rate divided by the standard deviation.
- **Lowest Likely Return** – Also known as the Value at Risk (VAR), VAR indicates the lowest return we would expect from the portfolio in 99 periods out of 100. In one period out of 100, we would expect the return to be worse.
- **Downside Probability** - The probability of missing the goal return over the period. A 20-year downside probability of 33% indicates that there is a one in three chance of missing the goal return over a 20-year horizon.

Benchmark Definitions

US Equity

- **S&P 500 Index** is a capitalization-weighted index of 500 U.S. stocks published by Standard and Poor's. The index, which is heavily dominated by the largest stocks in the U.S. market, contains about 80% of the total stock market capitalization and is widely used as a benchmark of the largest U.S. stocks.
- **Russell 1000 Index** is an index of approximately 1,000 of the largest companies in the U.S. equity market.
- **NASDAQ US Dividend Achievers Select** is comprised of a select group of securities with at least ten consecutive years of increasing annual regular dividend payments.
- **Russell 2000 Index** is a capitalization-weighted index that measures the performance of the small-cap segment of the U.S. equity universe, created by Russell Investments. It includes approximately 2,000 of the smallest securities within the 3,000 largest securities in the U.S. equity universe.

International Equity

- **MSCI EAFE (Europe, Australasia and Far East) Index** is a standard, capitalization-weighted representation of developed equity markets excluding the U.S. and Canada. As of December 2015 the MSCI EAFE Index consisted of 21 developed countries. The index includes MSCI's assessment of the most "investable" stocks, determined by size, trading volume, and free float. Performance is shown net of foreign withholding tax on the dividends paid.
- **MSCI ACWI ex US Index** captures large and mid cap representation across 22 of 23 Developed Markets countries (excluding the US) and 26 Emerging Markets countries. The Index is designed to measure equity market performance in these countries, excluding the US and certain market segments unavailable to US-based investors. The index covers approximately 85% of the global equity opportunity set outside the US.
- **MSCI Emerging Markets Free Index** is A Morgan Stanley Capital International index created to track stock markets in selected emerging markets that are open to foreign investment like Argentina, Chile, Jordan, Malaysia, Mexico, Philippines, and Thailand.

Benchmark Definitions (cont.)

Real Assets

- **Dow Jones Global Select Securities Index** tracks the performance of equity real estate investment trusts (REITs) and real estate operating companies (REOCs) traded globally. The index is designed to serve as a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate
- **S&P North American Natural Resources** provides investors with a benchmark that represents U.S. traded securities that are classified under the GICS® energy and materials sector excluding the chemicals industry; and steel sub-industry.
- **Lazard Custom Infrastructure Index** included the UBS Global 50/50 Infrastructure & Utilities Index (USD Hedged) from inception through March 31, 2015 and the FTSE Developed Core Infrastructure 50/50 100% Hedged to USD Net Tax Index afterwards. The FTSE Developed Core Infrastructure 50/50 Index gives participants an industry-defined interpretation of infrastructure and adjusts the exposure to certain infrastructure sub-sectors. The constituent weights for these indexes are adjusted as part of the semi-annual review according to three broad industry sectors – 50% Utilities, 30% Transportation including capping of 7.5% for railroads/railways and a 20% mix of other sectors including pipelines, satellites and telecommunication towers. Company weights within each group are adjusted in proportion to their investable market capitalization.

Fixed Income

- **Bloomberg Barclays U.S. Aggregate Index** represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for Treasury, government agencies, corporate securities, mortgage pass-through securities, commercial mortgage-backed securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. The U.S. Aggregate Index was created in 1986 with history backfilled to January 1, 1976.
- **Merrill Lynch 1-5 Year Government / Credit** includes publicly issued U.S. Treasury debt, U.S. government agency debt, taxable debt issued by U.S. states and territories and their political subdivisions, debt issued by U.S. and non-U.S. corporations, non-U.S. government debt and supranational debt.

Benchmark Definitions (cont.)

Alternatives

- **Wilshire Liquid Alternatives** measures the collective performance of the five Wilshire Liquid Alternative strategies that make up the Wilshire Liquid Alternative Universe. The Wilshire Liquid Alternative Index is designed to provide a broad measure of the liquid alternative market by combining the performance of the Wilshire Liquid Alternative Equity Hedge Index, Wilshire Liquid Alternative Global Macro Index, Wilshire Liquid Alternative Relative Value Index, Wilshire Liquid Alternative Multi-Strategy Index, and Wilshire Liquid Alternative Event Driven Index.
- **HFRI Fund of Funds Composite** Fund of Funds invest with multiple managers through funds or managed accounts. The strategy designs a diversified portfolio of managers with the objective of significantly lowering the risk (volatility) of investing with an individual manager. The Fund of Funds manager has discretion in choosing which strategies to invest in for the portfolio. A manager may allocate funds to numerous managers within a single strategy, or with numerous managers in multiple strategies. The minimum investment in a Fund of Funds may be lower than an investment in an individual hedge fund or managed account. The investor has the advantage of diversification among managers and styles with significantly less capital than investing with separate managers.
- **HFRI Equity Hedge (Total) Index** is comprised of investment managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. EH managers would typically maintain at least 50% exposure to, and may in some cases be entirely invested in, equities, both long and short.

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