



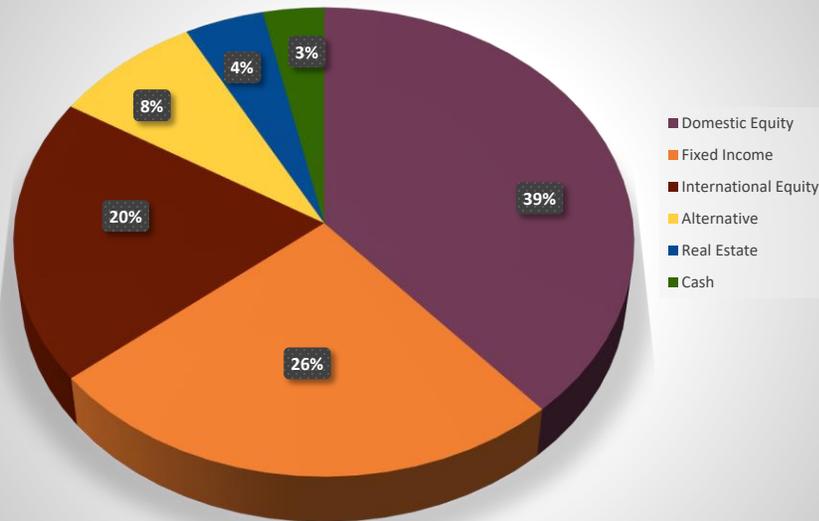
The Catholic Foundation
ARCHDIOCESE OF SANTA FE

4333 PAN AMERICAN FREEWAY NE

SUITE D

ALBUQUERQUE, NM 87107

Asset Allocation as of December 31, 2017



Commentary*

Market returns were positive across major equity and fixed income indices for the 4th quarter and calendar year 2017. Broad domestic and international equity markets continued their year long trend of strong positive performance. Fixed income indices also posted positive results, but equities outpaced fixed income investments for both the quarter and 1-year period as improving macroeconomic data and robust corporate earnings worldwide fostered investor optimism in the continued global economic recovery. The US stock market represented by the Russell 3000 Index returned 6.3% and 21.1% for the quarter and calendar year respectively. While the Russell 3000 outperformed the international MSCI ACWI ex US Index during the 4th quarter, international stocks were the best performers of 2017. Domestic equity indices pushed higher as most measures continued to show continued signs of a healthy US economy. Future prospects for lower corporate and individual tax rates following the passage of a republican party led tax code overhaul in December also boosted returns through the period.

During the 4th quarter, interest rates on the US Treasury Yield Curve rose for short-term maturities, but fell for long-term maturities causing further flattening of the yield curve. The jump in interest rates on the short end of the curve was partially due to increasing investor expectations for a US Federal Reserve (Fed) interest rate hike, which materialized in December. Despite the increase in short-term rates, broad fixed income indices posted modestly positive results with the bellwether Bloomberg Barclays U.S. Aggregate Index returning 0.4% for the quarter and 3.5% for the year. Corporate credit continued its trend of out-performance relative to other investment grade sectors through 2017 as it benefitted from the further tightening of credit spreads relative to Treasuries.

Comparative Performance:	QTR	FYTD	1 YR	3 YR	5 YR
Total Fund	3.56%	7.50%	16.60%	6.46%	8.04%

Fiscal YTD is June 30

* Commentary provided by AndCo Consulting