Background Summary

• The Common Investment Fund (CIF) was established in 1970 as a vehicle for equity and fixed income investments.
• CIF serves Boston Archdiocesan Parishes, Schools, Cemeteries and affiliated organizations.
• In 1995 CIF formed a partnership with the Roman Catholic Archdiocese of Boston Pension Plan (RCAB PP) to pool its own investments with the investments of the pension plan. The new pooled investment vehicle is referred to as the RCAB Collective Investment Partnership (CIP).
• Member activity in CIF increases or decreases CIF’s share of CIP.
RCAB Collective Investment Partnership

$304M

RCAB PP $206M

40%

$510M net assets @ 6/30/15

60%

CIF $304M
Investment Management Structure of the Collective Investment Partnership

• The Investment Committee of the Archdiocese Finance Council is responsible for the investment policies of the Partnership and oversight of the investment portfolio.

• This Committee is comprised of independent volunteers who are world class investment professionals. They have significant experience and an outstanding reputation within the investment field.
The underlying investments of the Partnership are allocated to 18 investment managers across a range of disciplines. Managers are selected based on their area of expertise to carry out the investment direction of the Committee. Investment managers are regularly added to and removed from the portfolio based upon performance and overall investment direction.

The Archdiocese engages an investment consultant, MPC Capital Advisors, to assist with performance monitoring, asset allocation, and the selection process of investment managers.
Members of the Common Investment Fund
$305M in net assets @ 6/30/15

• During Fiscal Year 2013 the Common Investment Fund transitioned to a new system to track partners capital that has greatly improved internal reporting and functionality including:
  – Online access to monthly statements and historical data going back to Fiscal Year 2000 for all accounts
  – Cost savings from old system
  – Change from quarterly to monthly purchases and redemptions
• The following slide illustrates the Common Investment Fund’s member accounts top seven accounts.
• Our 289 parishes and their related schools and cemeteries comprise the majority of the remaining $77 million of investments in the Common Investment Fund
## CIF Members > $5 Million (M)

<table>
<thead>
<tr>
<th>INSTITUTION</th>
<th>MARKET VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parish Revolving Loan Fund</td>
<td>$52M</td>
</tr>
<tr>
<td>Catholic Community Fund</td>
<td>$50M</td>
</tr>
<tr>
<td>St. John’s Seminary</td>
<td>$45M</td>
</tr>
<tr>
<td>Cemetery Association</td>
<td>$45M</td>
</tr>
<tr>
<td>iCatholic Media</td>
<td>$19M</td>
</tr>
<tr>
<td>Catholic Health Foundation</td>
<td>$10M</td>
</tr>
<tr>
<td>Health Benefit Trust</td>
<td>$7M</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$228M</strong></td>
</tr>
</tbody>
</table>
Collective Investment Partnership Performance Review

The following slides show the fund’s overall investment mix and then the sector breakdown across the fixed income and equity investments within the fund.
Ethical Investment Guidelines

• The Partnership recognizes that it is critical for the investment strategy of the Partnership to correspond with the ethical values of the Catholic Church teachings. Accordingly, the Partnership follows the guidelines of the United States Conference of Catholic Bishops “USCCB” to invest in companies consistent with Catholic teachings. These guidelines address companies that participate in:
  – Abortion and abortion related products or services
  – Tobacco
  – Life Ending Embryonic Stem Cell Research
  – Pornography
  – Militarism
  – Landmines
  – Firearms
Collective Investment Partnership Performance Review

- Based on the overall direction of the investment portfolio the Investment Committee created an investment benchmark from a variety of market indices to assist in evaluating the performance of the Partnership’s investment managers. The Partnership's benchmark index is the return the fund would have earned had it been invested in the market indices matching the proposed allocation, rebalanced monthly.
## Investment Performance Review

<table>
<thead>
<tr>
<th>Period</th>
<th>Annual Performance</th>
<th>Benchmark Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Year</td>
<td>2.1%</td>
<td>1.7%</td>
</tr>
<tr>
<td>6/30/14 – 6/30/15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3-Year</td>
<td>9.2%</td>
<td>8.8%</td>
</tr>
<tr>
<td>6/30/12 – 6/30/15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5-Year</td>
<td>9.2%</td>
<td>8.9%</td>
</tr>
<tr>
<td>6/30/10 – 6/30/15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10-Year</td>
<td>6.2%</td>
<td>6.4%</td>
</tr>
<tr>
<td>6/30/05 – 6/30/15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inception</td>
<td>6.7%</td>
<td>N/A</td>
</tr>
<tr>
<td>12/01/95 – 6/30/15</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The benchmark is comprised of: 20% BC Aggregate Bond Index + 5% WGBI xUS + 5% ML Hi Yield Master II + 5% HFRI Dist/Restruct. + 22.5% S & P 500 + 12.5% R2000 + 5% MSCI EAFE(Net) + 10% MSCI Emerg(Net) + 5% HFRX Eq Hedge + 10% HFRI FOF.
Investment Mix

6/30/15 Percentage

- Equity: 64.5%
- Fixed Income: 25.5%
- Hedge Funds: 4.9%
- Cash: 5.1%
Fixed Income Mix

6/30/15 Percentage

- Domestic: 77.1%
- Credit: 0.3%
- Opportunistic: 22.6%
Investment Mix
As represented on Financial Statements*

6/30/15 Percentage

- Equity 42.1%
- Fixed Income 6.1%
- Private Investments 23.0%
- Mutual Funds 20.7%
- Collective Trust Funds 2.3%
- Cash / Money Mkt. 5.8%

* Financial statement disclosure requirements classify the asset mixture differently than classifications used internally by management to track performance and asset allocation.
Equity Mix
As represented on Financial Statements

6/30/15 Percentage

- Consumer 25.8%
- Financial 18.3%
- Healthcare 15.2%
- Industrial 11.2%
- Information Tech 19.9%
- Materials 4.2%
- Other 5.4%
Fixed Income Mix
As represented on Financial Statements

6/30/15 Percentage

- U.S. Government 15.8%
- U.S. Govt Agencies 21.8%
- Foreign Government 5.4%
- Municipal Bonds 0.2%
- Asset-Backed Securities 5.9%
- Collateralized Mort. Obli. 19.9%
- Corporate Bonds 25.0%
- Yankee Bonds 6.0%
State Street is the custodian of the Partnership’s investments.
The Archdiocese Finance Department maintains the member accounting, additions and distributions.
Maureen Creedon is the Director of Finance at the Archdiocese and available to assist with questions. mcreedon@rcab.org; 617-746-5878
This PowerPoint is available on the Archdiocese’s website and we encourage you to share this with your Finance Council or Investment Committee.
http://www.bostoncatholic.org/annualreport.aspx