Common Investment Fund
Investment Review
June 30, 2012
Background Summary

• The Common Investment Fund (CIF) was established in 1970 as a vehicle for equity and fixed income investments.

• CIF solely serves Boston Archdiocesan Parishes, Schools, Cemeteries and related organizations.

• In 1995 the Common Investment Fund (CIF) formed a partnership with the Roman Catholic Archdiocese of Boston Pension Plan (RCAB PP) and the Caritas Christi Retirement Plan (CCRP) to pool its own investments with the investments of the two pension plans. The new pooled investment vehicle is collectively referred to as the RCAB Collective Investment Partnership.

• Member activity in CIF increases or decreases CIF’s share of CIP.
RCAB Collective Investment Partnership

• Following is a summary breakdown of the assets under management in the RCAB Collective Investment Partnership.

• The summary shows the respective partners investment in the Partnership.

• During the year ended June 30, 2011, The Caritas Christi Retirement Plan initiated a full redemption of the ownership in the fund. This redemption was paid out during July 2011.
RCAB Collective Investment Partnership - $446M net assets @6/30/12

RCAB PP $200.7M

CIF $245.3M

45%

55%
Investment Management Structure of the Collective Investment Partnership

• The Investment Committee of the Archdiocese Finance Council manages the investment portfolio.

• This Committee is comprised of independent volunteers and are world class investment professionals. They have significant experience and an outstanding reputation within the investment field. A listing of the committee is on page 7 and background details are on our website:

http://www.bostoncatholic.org/archdiocesanfinancecouncil.aspx
Management Structure of Investment Collective Investment Partnership

• The Investment Committee engages an investment consultant, Clearbrook Investment Advisors, to assist with performance monitoring and in the selection process of investment managers.

• The underlying investments of the Partnership are allocated to 26 investment managers across a range of disciplines. Investment managers are regularly added to or removed from the portfolio based upon performance and overall investment direction.
Management Structure of Investment Partnership

RCAB Investment Committee
- Robert Morrissey, Chair
- Deacon Chuck Clough
- Gerry Curtis
- Peter Lynch

Clearbrook Investment Advisors

Individual Investment Managers (26)
- Jim Mahoney
- Tom O'Neill
- Tom Stakem
Members of the Common Investment Fund
$245M in net assets@ 6/30/12

- The following slide illustrates the Common Investment Fund’s member accounts that are greater than $5 million.
- Our 289 parishes and their related schools and cemeteries comprise the majority of the remaining $45 million of investments in the Common Investment Fund
### CIF Members > $5Million (M)

<table>
<thead>
<tr>
<th>INSTITUTION</th>
<th>MARKET VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. John’s Seminary</td>
<td>$44.5M</td>
</tr>
<tr>
<td>Parish Revolving Loan Fund</td>
<td>$35.9M</td>
</tr>
<tr>
<td>Catholic Community Fund</td>
<td>$27.6M</td>
</tr>
<tr>
<td>Cemetery Association</td>
<td>$28.0M</td>
</tr>
<tr>
<td>RCAB Endowments</td>
<td>$18.3M</td>
</tr>
<tr>
<td>BCTV</td>
<td>$13.5M</td>
</tr>
<tr>
<td>Regina Cleri</td>
<td>$9.9M</td>
</tr>
<tr>
<td>Holy Cross Mausoleum</td>
<td>$9.2M</td>
</tr>
<tr>
<td>Pastoral Center Administration</td>
<td>$9.6M</td>
</tr>
<tr>
<td>Blessed John XXIII Nat. Seminary</td>
<td>$5.7M</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$202.2M</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.
Collective Investment Partnership Performance Review

• The following slide compares the Partnership performance compared to the Partnership’s blended index and the S&P 500 Index.

• The Partnership's benchmark index is the return the fund would have earned had it been invested in the market indexes matching the proposed allocation rebalanced monthly: 35% BC Aggregate Bond Index + 55% S & P 500 + 10% HFRI FOF.
## Investment Performance Review

<table>
<thead>
<tr>
<th>Period</th>
<th>Annual Performance</th>
<th>Benchmark Comparison</th>
<th>S&amp;P 500 Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Year 6/30/11 – 6/30/12</td>
<td>-0.3%</td>
<td>5.5%</td>
<td>5.4%</td>
</tr>
<tr>
<td>3-Year 6/30/09 – 6/30/12</td>
<td>10.4%</td>
<td>11.9%</td>
<td>16.4%</td>
</tr>
<tr>
<td>5-Year 6/30/07 – 6/30/12</td>
<td>2.5%</td>
<td>2.7%</td>
<td>0.2%</td>
</tr>
<tr>
<td>10-Year 6/30/02 – 6/30/12</td>
<td>5.9%</td>
<td>5.6%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Inception 12/01/95 – 6/30/12</td>
<td>6.2%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Investment Mix

6/30/12 Percentage

- Equity 60.0%
- Hedge Fund 1.5%
- Fixed Income 33.5%
- Cash 0.2%
- Emerg. Mkt. Franklin Templeton 4.8%
Equity Mix

6/30/12 Percentage

- Large Cap 41.8%
- Sm/Mid Cap 25.5%
- Long/Short 8.1%
- Emerging Mkts 20.6%
- Japanese 4.0%
Fixed Income Mix

6/30/12 Percentage

- Domestic 60.4%
- Credit 23.2%
- Opportunistic 16.4%
Investment Mix
As represented on Financial Statements*

6/30/12 Percentage

- Equity 40.8%
- Fixed Income 19.7%
- Private Investments 24.2%
- Mutual Funds 13.6%
- Cash / Money Mkt. 1.7%

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

6/30/12 Percentage

- Consumer 23.6%
- Energy 5.9%
- Financial 15.8%
- Healthcare 9.4%
- Industrial 14.7%
- Information Tech 18.5%
- Materials 6.4%
- Other 5.7%
Fixed Income Mix
As represented on Financial Statements

6/30/12 Percentage

- U.S. Government 10.4%
- U.S. Govt Agencies 27.8%
- Foreign Government 1.0%
- Municipal Bonds 2.4%
- Asset-Backed Securities 7.2%
- Collateralized Mort. Obli. 15.9%
- Corporate Bonds 31.8%
- Yankee Bonds 3.0%
- Other 0.5%
Collective Investment Partnership Performance Review

• Following is the current investment direction of the Investment Committee:
  – Maintain overweight exposure to developing markets
  – Increasing US Equity market exposure
  – More positive, though still 0% exposure, to international developed markets
  – Remain negative on long duration fixed income
  – Less positive on credit orientated fixed income
Common Investment Fund
Administrative Slide

• 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