

INVESTMENT COMMITTEE - NOTES FROM JULY 19, 2021

US BANK PRIVATE WEALTH MANAGEMENT - - 1:30 PM

Present: Chuck, Dennis, Bill Heiting, John Sylla, and Bill Rogalinski

Market value	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
	\$91.5M	\$84.9M	\$75.9M	\$66.5M	\$60.4M

- Net contributions
 - Calendar YTD - \$11.0M / \$17.0 Fiscal YTD
- Earnings, gains/losses
 - Calendar YTD - \$5.0M / \$13.7 Fiscal YTD
- Allocation – Equities 56%, Fixed 43%, Cash/Other 1%
- ROI: 3 Month (Net of Fees) Trailing 12 Months
 - Total Portfolio 3.9% vs. benchmark, 4.5% ○ 20.0% vs. benchmark 18.8%
 - Equities = 6.6% ○ 43.0%
 - Fixed = 1.3% ○ 0.5%

BMO GLOBAL ASSET MANAGEMENT - - 11:00AM

Present: Chuck, Dennis, Bill Heiting, and Troy Rossow

UPDATE – SALE OF BMO ASSET MANAGEMENT ANNOUNCED APRIL 12, 2021

The sale of BMO Asset Management to Ameriprise/Columbia Threadneedle is moving forward with anticipated completion by calendar year. Existing BMO Equity Team will move to Columbia Threadneedle, fees to remain the same as is currently in place with BMO, and Catholic screening guidelines will remain in place. It will be the responsibility of the Diocesan Finance Office to move with the manager or determine what investment managers to use for these funds. The International Fund manager, Lazard International and Harding Loevner International will remain.

QUALIFIED (RETIREMENT)

LERP	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sept 30, 2020	Jun 30, 2020
Market value	\$44.6M	\$41.6M	\$41.2M	\$37.9M	\$36.9M

SJPF	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sept 30, 2020	Jun 30, 2020
Market value	\$12.7M	\$11.9M	\$11.7M	\$11.2M	\$10.4M

- Allocation – Equities 61.0%, Fixed 37.2%, Cash 2.9%
- ROI: 3 Month (Net of Fees) Fiscal Year
 - Total Portfolio 5.3% vs. benchmark 5.4% ○ 25.1% vs. benchmark 24.8%
 - Equities = 7.1% vs. benchmark 7.4% ○ 44.4% vs. benchmark 43.0%
 - Fixed = 3.0% vs. benchmark 2.4% ○ 0.0% vs. benchmark -0.4%

NON-QUALIFIED (ENDOWMENTS)

Endowments	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sept 30, 2020	Jun 30, 2020
Market value	\$44.3M	\$42.2M	\$41.5M	\$37.9M	\$36.9M

- Earnings, gains/losses
 - QTR - \$5.7M / YTD - \$8.7M fiscal year
- Allocation – Equities 56.6%, Fixed 43.4%
- ROI: 3 Month (Net of Fees) Fiscal Year
 - Total Portfolio 5.2% ○ 23.4%
 - Equities = 7.1% ○ 45.2%
 - Fixed = 2.9% ○ -0.2%

MARKET VIEWS/ CONCERNS OF INVESTORS:

- Both institutions see continued strong second half of year with regard to equity investments. Little potential in the fixed bond markets for the near future.
- Federal Stimulus payments and programs have created record household savings and strong retail environment from pent up demand.
- Their take is that Corporate Earnings estimates are underestimated for 2021. Recovery will be stronger than anticipated unless resurgence in the new Covid strain continues to become a health factor and crimp growth.
- Fed target inflation level around 2% to 2.5%. Currently running at 3.5%. Fed considers this as “transitory” and not to be long term.
- Both still favor US Equities a moderate change from growth to value stocks
- Federal Reserve continues to purchase bonds keeping long term interest rates low and has no plans for raising rates until possibly 2023.
- As a result of the increased balance in the US Bank portfolio it was determined that their fees be reduced on equity investments from 50 to 40 basis points.