Catholic Community Foundation

INVESTMENT POOL OVERVIEW

Intermediate Balanced Pool

As of September 30, 2026

ASSETS IN POOL	INVESTMENT MGMT. COSTS	TIME HORIZON	RISK RATING
$160K	0.40%	2–5 years	2 of 5

FUND OVERVIEW

Objective

The Intermediate Balanced Pool balances long-term growth with short-term protection, with a primary focus on income and a secondary goal of capital appreciation — while aligning investments with Catholic values.

Positioning

Defensive assets are high-quality bonds that provide income and downside protection, paired with global equity exposure for the potential of capital appreciation and inflation protection.

Investor Profile

An investor with a defined annual spending rate, flexibility in annual amounts, and a desire for income with growth potential.

STRATEGIC ALLOCATION

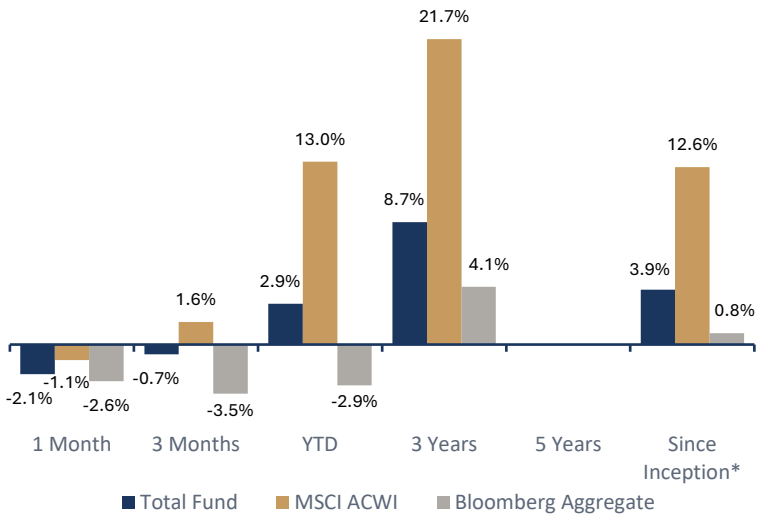


65% Defensive Assets

35% Growth Assets

PERFORMANCE Net of all fees

	1 MONTH	3 MONTHS	YTD	3 YEARS	5 YEARS	SINCE INCEPTION*
Intermediate Balanced**	**-2.1%**	**-0.7%**	**2.9%**	**8.7%**	—	**3.9%**
Intermediate Equity***	—	—	—	—	—	—
MSCI ACWI	-1.1%	1.6%	13.0%	21.7%	—	12.6%
Intermediate Bonds***	—	—	—	—	—	—
Bloomberg Aggregate	-2.6%	-3.5%	-2.9%	4.1%	—	0.8%



PERFORMANCE ATTRIBUTION YTD

- Absolute returns were driven by strong returns in U.S. and international equity markets.
- Bond market returns are negative year-to-date, driven by rising yields amid rising debt and inflation concerns.

For portfolio positioning, performance, fees, and current holdings, please contact:

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*Inception date of 4/1/2022. **Returns from 4/1/2022 through 8/31/2026 reflect performance of the former Capital Preservation Pool; returns thereafter reflect performance of the new Intermediate Balanced Pool. ***Composite returns begin on 10/1/2026.

INVESTMENT CONSULTING BY Graystone Consulting from Morgan Stanley

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MARKET & ECONOMIC UPDATE

Themes to Watch

As of September 30, 2026

01 Investing at All-Time Highs

- The S&P 500 has set 27 all-time highs in 2026, and clients ask if it is too late to invest.
- Since 1975 there have been 982 all-time highs — 7.5% of all trading days.
- Average forward returns after a high are in line with any other day: 13.1% vs. 13.3% over one year, and 83.6% vs. 83.9% over five years.
- 36% of highs became market floors, meaning the index never later closed more than 5% lower.
- Time in the market has mattered more than the entry point.

02 The Fed Turns to Hikes

- The Fed raised rates 25 bp on September 16 to 3.75%–4.00%, its first hike since July 2023.
- Headline CPI is 3.4% and has been above 3% since March. Core CPI is 2.4%.
- The vote was unanimous, and projections show one more hike in 2026 and one in 2027.
- The 2-year Treasury yield is 4.88%, up from 3.47% at year-end; futures price about even odds of another hike in October.
- The easing cycle that began in September 2024 is over.

03 Oil Near $100

- WTI crude ended September at $90, up from $57 at year-end 2025 and down from $107 in mid-September.
- The Middle East conflict has cut traffic through the Strait of Hormuz and briefly shut Saudi Arabia's East-West pipeline.
- Ukrainian drone strikes have cut Russian refinery output to a 20-year low, lifting diesel and gasoline prices more than crude.
- Headline CPI (3.4%) is running a full point above core CPI (2.4%), with energy a main driver.
- Higher fuel costs act as a tax on consumers and complicate the Fed's path.

04 The 10-Year at 5%

- The 10-year Treasury yield ended September at 5.29%. It closed at 5% on September 15 for the first time since 2007.
- The yield is up from 4.18% at year-end 2025. The 10-year real yield is 2.93%.
- Higher discount rates weigh most on long-duration assets, including growth equities.
- Starting yields are the best predictor of bond returns, so forward fixed income returns have improved.
- Bonds now offer more competition to equities than at any point since the financial crisis.

HOW INVESTORS CAN HELP INFLUENCE CORPORATE POLICIES

01 The Issue

Employee gift-matching policies excluded certain religious organizations, including Christian organizations.

02 The Action

Investing With Purpose (IWP) approached BlackRock and Starbucks and advocated for policy change.

03 The Outcome

BlackRock agreed to changes. The shareholder proposal did not pass at Starbucks.

BlackRock

WHY THIS MATTERS

Owning shares creates an opportunity to *advocate for change* — not just earn investment returns.