



*Diocesan Investment Trust*

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## Investment Guidelines

An investment horizon of 20 years is established to allow for volatility and market cycle fluctuations relative to various asset categories that are inherent in long-term investing.

Upon conferring with the Investment Advisor, the Finance Committee approves a Strategic Asset Allocation. The Fiduciaries understand that asset allocation is not structured to impose an absolute minimum or maximum value on any asset class, but is intended to provide guidance on what could be considered tolerance ranges. It is expected that re-balancing will be done on a quarterly basis or more frequently if deemed necessary. The portfolio may be invested using most or all major asset classes with the goal of minimizing risk (as measured by standard deviation) and maximizing potential return within the following guidelines.

### Asset Classes:

Cash Equivalents

Fixed Income (Bonds)

Equities

Alternative Investments (1)

- (1) The Diocesan Investment Trust portfolio will have to meet asset size requirements for certain alternative investments that are governed by SEC regulation, and, therefore may not be able to utilize all asset classes, initially.

## Asset Allocation and Range Guidelines

	Minimum % Allocation	Maximum % Allocation	Neutral Allocation	Current Allocation % of Total
Cash & Cash Equivalents	0	20	5	2
Fixed Income	10	35	20	9
Equity	50	75	65	85
Alternatives	0	20	10	4
	Minimum % Allocation	Maximum % Allocation	Neutral Allocation	Current Allocation % of Total
<b>Equity Sub Classes*:</b>				
Large/Mid Cap U.S.	20	75	57.5	71
Small Cap U.S.	5	30	17.5	17
International Developed	0	30	15.0	12
Emerging Markets	0	20	10.0	0
<b>Fixed Income Sub Classes*:</b>				
Domestic Investment Grade	75	100	100	73
International	0	15	0	0
High Yield	0	25	0	27
<b>Alternative Sub Classes*:</b>				
Commodities	0	50	0	0
Distressed Debt		20	0	0
Hedge Funds of Funds & Equivalents	0	100	0	45
Private Equity	0	20	0	55
Real Estate	0	50	0	0
Venture Capital	0	20	0	0

\*weightings are for Sub Class only, not total portfolio. For Alternative Sub Class weightings reflect dollar amounts committed.

Blend: 5% Citigroup 3 month T-Bill, 20% Barclays Intermediate Aggregate Index, 37% S&P 500 Total Return, 11% Russell 2000, 10% MSCI EAFE, 7% MSCI Emerging Markets, 5% HFRX, 5% MSCI REIT

Static Benchmark: 65% S&P 500 Total Return/35% Barclays Intermediate Aggregate Index

### **Investment Restrictions**

Where practical, the Investment manager will screen individual investments to avoid ownership in companies that profit from child labor. The Investment Advisor should report any non-compliance of this restriction.

Generally, the Investment Advisor will avoid purchase of its own proprietary products, since this allows the Investment Advisor to be conflict free. The Investment Advisor should fully disclose in advance which products are those of the Investment Advisor's company or affiliates, why an alternative could not be found, and what extra compensation the Investment Advisor receives for this product.

Particularly in the Alternative Sub Class, the Investment Advisor will monitor the diversity of the investments in regards to type and leverage levels.

### **Oversight**

#### **GUIDELINES AND PROCEDURES FOR MONITORING INVESTMENTS**

The Investment Advisor is responsible for reviewing the investments, their performance, and any third party managers on a quarterly basis. The review will be performed by applying the above criteria keeping within the allowable investments outlined by this Investment Policy Statement. Performance will be measured by using standard industry benchmarks.

The Finance Committee will monitor and evaluate the performance of the Investment Advisor selected to manage the Endowment.

#### **PROCEDURES FOR INVESTMENTS THAT FAIL TO MEET CRITERIA**

If an investment fails to meet the above criteria, the Investment Advisor will take steps to correct the situation as soon as possible.

If a non-readily marketable investment is not meeting the criteria contained within this Investment Policy Statement the following actions will be taken.

The Investment Advisor will notify Diocesan Investment Trust staff by phone or email, and letter to discuss the concerns and make recommendations for further actions. Diocesan Investment Trust staff will contact the Finance Committee to discuss the situation and decide whether to meet interim (special meeting) or in tandem with Board meetings (regular meetings). The Finance Committee will review the situation and make a recommendation. Otherwise, the decision will be approved at the next regular Board meeting.

### **REVIEW OF INVESTMENT POLICY AND PERFORMANCE**

The Investment Advisor will provide a performance review of the investment portfolio with printed reports that provide benchmarks of comparable character with each class in the portfolio assets. The Fiduciaries recognize the allocations of the investment may change over time. The Investment Advisor will consult with the Finance Committee prior to any changes in benchmarks.

The expectations for statement frequency, activity reporting, and update meetings are as follow:

- Monthly printed holdings and performance statement of assets with appropriate benchmarks to designated Finance Committee members. The printed reports will be clearly presented and easily understood.
- Quarterly printed holdings and performance statement of assets with appropriate benchmarks to the Board. The printed reports will be clearly presented and easily understood.
- Semi-annual updates at meetings of the Finance Committee or Board to review:
  - Investment performance vs. appropriate benchmarks
  - Evaluation of plan expenses
  - Current market and economic conditions
  - Anticipated changes in the portfolio
  - Anticipated changes in Diocesan Investment Trust's needs from the portfolio
  - Any other financial issues

These updates will occur in person to the Finance Committee.

The Finance Committee will report to the Board quarterly.

### **Changes to Investment Guidelines**

While the Investment Guidelines are intended to be a flexible document that allows for changing economic, business and market conditions, there may be times that they need to be amended. All parties should be encouraged to review the document. Revisions should be reviewed by the Finance Committee for full recommendation and approval of the Diocesan Investment Trust.



**FIXED INCOME  
INVESTMENT POLICY STATEMENT  
for  
Diocesan Investment Trust**

**INVESTMENT GUIDELINES**

The following categories of fixed income securities will be permitted in the portfolio:

- obligations of the U.S. government, its agencies, and instrumentalities;
- notes, bonds, debentures, and other fixed and floating rate obligations of domestic corporations and of foreign corporations issued in the United States and denominated in U.S. dollars (“Yankee” securities)
- mortgage pass-through securities issued by the Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), or Federal Home Loan Mortgage Corporation (FHLMC) government agencies;
- asset-backed securities including, but not limited to, commercial mortgages, credit card receivables, automobile loans and leases, stranded asset securities;
- money market securities, including commercial paper and bankers acceptances;
- money market sweep accounts, institutional money market mutual funds, and mutual funds holding allowable investments; and
- repurchase agreements where delivery of the collateral is made to the client’s custodian. Acceptable collateral includes obligations of the U.S. Government, its agencies, and instrumentalities.

## QUALITY GUIDELINES

At the time of purchase, all securities must be rated at or above the rating standards listed below by any nationally recognized statistical rating organization rating the security, or, if unrated, deemed by the portfolio manager to be of comparable quality:

	<u>Long-Term</u>	<u>Short-Term</u>
Moody's	Baa3	P-1
Standard & Poor's	BBB-	A-1
Fitch	BBB-	F1

The Client will be notified if any security falls below the ratings outlined above. At such time, 1919 Investment Counsel will reevaluate the credit quality of the security and will inform the client as to our determination of the proper course of action.

## MATURITY AND DURATION

The portfolio's duration will range from 3 to 5 years.

## DIVERSIFICATION

No more than 10% of the portfolio at time of purchase may be invested in the securities of any one issuer with the exception of obligations of the U.S. Government, its agencies and instrumentalities.

## PERFORMANCE MEASUREMENT

Performance guidelines are intended to provide quantifiable benchmarks to measure and evaluate portfolio risk and return. The Barclays Capital Intermediate Aggregate Bond Index will be used as the benchmark index. If these policy guidelines change materially, a different benchmark index should be selected.

## PROHIBITED INVESTMENTS AND ACTIVITIES

The manager may not:



- Purchase securities on margin or sell securities short;
- Purchase private placements or other restricted securities not qualified under Rule 144(a) of the Securities Act of 1933. Securities issued under Rule 144(a) are also prohibited unless the client has certified that it is a qualified institutional buyer under the rule;
- Use futures;
- Purchase warrants, puts, calls or other options, except when acquired as part of a purchase of another security.

## Introduction

A global economic rebound, strong growth in corporate earnings, and the anticipation of positive outcomes from a US tax overhaul resulted in stellar returns for most major stock indices in 2017.

The S&P 500 Index of large-cap US stocks appreciated 6.6% this quarter, for a substantial rise of 21.8% for the year, in one of the lowest-volatility periods in history. The continued strength of technology stocks, which comprise the biggest sector of the market, contributed significantly to the market's performance, with a 38.8% gain during the year. Energy stocks remained one of the worst-performing sectors, dropping 1%, despite the fact that oil finally topped \$60 on the last trading day of the year, gaining 16.9% in the last 3 months alone as oversupply concerns abated. Stocks in overseas markets were the stars for the first time in 5 years, outpacing US returns, as stronger-than-expected economic growth in Europe and other regions combined with a soft US dollar. Developed international markets were higher by more than 25%, and emerging market stocks increased 37.8%. The Bloomberg Barclays US Aggregate Index of bonds added slightly to earlier gains, ending the year up 3.5%, as low inflationary pressure offset the Federal Reserve's rate increases.

Entering the 9th year of a bull market in stocks, it is easy to see why investors are optimistic and maybe somewhat complacent, when even the most moderate dips have been met with strong demand by buyers. Throughout 2017, investors ignored rich valuations, contentious politics, and heightened geopolitical risk and instead focused on the prospects of fiscal stimulus, corporate earnings strength, and less regulation. As 2018 begins, the Goldilocks environment of benign inflation, strong employment, and still-low interest rates remains in place; with a potential boost from new tax laws, the economic outlook seems solid. However, we remain wary of asset valuations and the fact that the markets seem to be pricing in a very low probability of any kind of negative economic surprise or slowdown. As monetary accommodation by global central banks begins to taper off, we are watching for signs that the markets have become addicted to easy money policies. Additionally, the onset of fiscal stimulus at a time of near full employment subsequent to 8 years of asset price growth could bring about an unwelcome spike in inflation, with the potential to spook investors and change the positive outlook.

## 4<sup>th</sup> Quarter Review

### Performance Summary

Total Returns & Values for Selected Assets as of 12/31/17

	4Q 2017	YTD Return	Price / Value
Dow Jones Industrial Average	11.0%	28.1%	24,719
S&P 500 Index	6.6	21.8	2,674
Russell 2000 Index	3.3	14.6	1,536
MSCI EAFE Index	4.3	25.6	8,135
MSCI EM (Emerging Markets)	7.5	37.8	2,522
Bloomberg Barclay's US Aggregate	0.4	3.5	103
Bloomberg Barclay's Municipal Bond	0.7	5.4	109
Gold – Continuous Contract	1.9	13.7	\$1,309
Light Crude Oil – Continuous Contract	16.9	12.5	\$60

Source: Factset

## Economy

The US economy marched ahead in the fourth quarter, buoyed by optimism related to the passage of a business-friendly tax cut as well as solid advances abroad. The annual pace of GDP growth likely approached the low-3% pace that has prevailed since the second quarter, with numerous sectors operating at multi-year highs, most notably within manufacturing. For example, the Institute of Supply Management's manufacturing survey averaged 57.6 in 2017, the highest annual reading since 2004. While hurricane rebuilding played a role, forward-looking measures such as new orders suggest further gains are likely in 2018. Also, inventories are quite low, while export orders continue to trend higher. Since measures of CEO confidence surged with the tax bill's passage, capital spending could see a long-awaited upswing in coming quarters, further bolstering the manufacturing sector.

The industrial space was not the only area to see gains. While traditional brick and mortar retailers continue to struggle as the online paradigm takes hold, overall holiday sales are expected to be the strongest in over a decade. Even prior to December, data for retail sales consistently exceeded expectations, and auto sales likewise finished the year on firm footing. In hindsight it is not surprising that discretionary spending remained sound. The economy continued to create jobs, with October and November advances in non-farm payrolls being the strongest of the year. Also, as evidenced by the low readings in unemployment claims, firms appeared reluctant to part with labor. As a result, the unemployment rate stood at 4.1% as of the end of November, the lowest level since December 2000, and down from 4.8% as recently as January 2017. The healthy labor market nurtured strong readings in consumer confidence, and the surge in personal consumption that took hold in September remained intact.

While we expect the economy to deliver above-trend growth in the coming months, there are concerns we are monitoring. First, the aforementioned increase in consumption is increasingly coming from a drawdown in savings. This likely stems from disappointments regarding income growth despite the seemingly tight labor market. For example, year-over-year increases in average hourly earnings remain stuck in the mid-2% range that has prevailed since early 2015. Meanwhile, November data showed the personal savings rate dropped to 2.9%, the lowest in ten years, as consumers seem willing to incur debt to finance their spending

behavior. While we are far from the levels of debt associated with the pre-crisis refinancing boom, we would prefer to see steady gains in personal income fuel further advances in the consumer space.

Additional concerns relate to limitations on mortgage interest and property tax deductibility within the new tax bill, and the likely negative impact on the housing sector. The National Association of Realtors predicts the bill's passage will result in an aggregate 10% drop in national home prices (with New Jersey suffering the most, with a 21% loss). While we doubt the impact will be as extreme as NAR's forecast, on the margin tax reform will directly impact what is a meaningful sector of the US economy. Indirectly, the possibility exists that home depreciation disrupts the more-impactful consumer sector should the psychology of paper losses on an individual's largest asset cause a re-evaluation of future spending habits. However, as with our concerns regarding leverage, we believe employment trends will be more important, and the "wealth effect" generated by equity gains will more than offset housing's detraction from economic growth.

As we move further into 2018, we see the economy downshifting to a more trend-like pace of growth, most likely settling in the low 2% range. The reduction of the corporate tax rate to 21% from 35% should support the labor market and foster increases in capital investment. Traditionally, downturns in industrial production, an increase in the unemployment rate, and an inverted yield curve are among the necessary ingredients for a recession to take hold. While the yield curve has flattened meaningfully of late, we do not think these other benchmarks are in danger of being breeched any time soon. However, the Fed, even under new leadership, likely will continue raising borrowing costs via increases in the federal funds rate while concurrently trimming its hefty bond holdings, offsetting some of the tax cut's fiscal stimulus with slightly tighter monetary policy. At this point, the handoff from the Fed to a more traditional growth engine is healthy, since its unprecedented (but necessary, in our opinion) policies clearly distort pricing in the capital markets, which in time will create imbalances. That being said, should inflation surprise on the upside (most likely due to wage pressures), the Fed will be forced to respond more aggressively, and growth will suffer accordingly. We think that is a 2019 issue at the earliest and remain constructive for the 2018 outlook.

## Equities

Equity markets around the world ended the year on a strong note as the synchronized global economic expansion and resulting growth in corporate profits continued. The passage of tax reform in the US only added to the optimism generated by the worldwide expansion. The Goldilocks combination of steady global economic growth with persistent low inflation made for a remarkable year in many ways as the following statistics bear out:

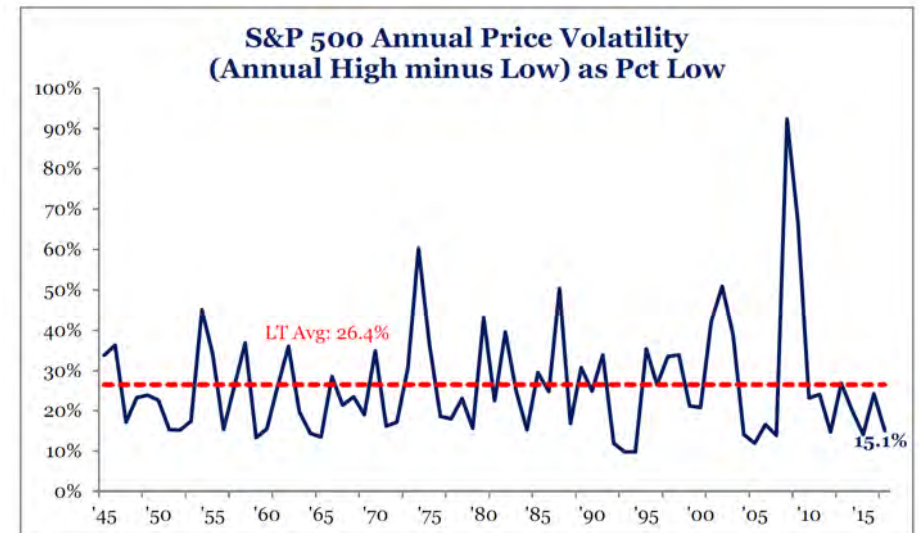
- S&P 500 had positive returns for all months, the first time in its history
- 282 trading days without a 3% market correction, which is the longest period on record
- Dow Jones Industrial Average had 71 record highs, beating the old record of 69 from 1995
- Technology companies comprised 24% of the S&P 500 at year end, the third highest historical sector weight behind Technology in 2000 (34%) and Energy (30%) in 1981
- Bitcoin’s bubble-like price surge of 1403% rivaled silver’s ascent in 1979-80 of 713%

During the quarter, the S&P 500 index returned 6.6%, led by the Amazon-dominated Consumer Discretionary sector (+9.9%), Technology (+9%), and Financials (+8.6%). Developed markets outside the US as measured by EAFE rose 4.3% as the dollar weakened during the quarter. Asian markets’ 8.4% led the Emerging Equity complex, which returned 7.5%. For the year, the S&P 500 index returned 21.8% while equity markets in non-US developed countries returned 25.6% due to the dollar’s decline during the year. Driven by robust returns in Asia, markets in emerging countries led the way for the year with a 37.8% return.

For quite some time, we have expressed our view of favoring stocks over bonds, which can be summarized by the acronym, TINA. It represents the famous slogan, “There Is No Alternative”, originated by Victorian philosopher Herbert Spencer and used frequently by Margaret Thatcher in the 1980s in her arguments for free-market capitalism. In recent years, dominated by global central banks’ quantitative easing

and the resulting artificially low interest rates, TINA expresses the sentiment that there is no alternative offering attractive returns other than equity investments. This sentiment, supported by record-low volatility (see Chart 1) and a broad but moderate economic expansion, drove investors’ enthusiasm for stocks even as valuations rose to historically lofty levels.

Chart 1



Source: Strategas Research Partners

As we enter 2018, a new acronym, MOTS , “More Of The Same”, enters the lexicon. With the help of continued global growth, low inflation and recent US corporate tax rate cuts, we believe S&P 500 companies can deliver 10% EPS growth. The capital expenditure recovery will continue, and investors will reward companies that invest in growth investments along with R&D. As interest rates increase modestly around the world, investors will be less willing to use higher valuation multiples, and prices may not rise at the same rate as earnings.

On the topic of recession risk, we reiterate our sentiment from the last quarter. While the economic expansion is protracted and indicators such as yield curve

flattening begin to raise recession chatter, barring cataclysmic geopolitical events, recession risk in the US and globally is very low by most indicators. We are aware of and increasingly concerned about the elevated market valuation and acknowledge that prolonged periods of low rates and volatility can result in excessive risk taking; we are watchful for signs of retail investor euphoria, which would be a clear warning signal of an impending significant correction. Based on the current conditions, we continue to believe US and global equities offer better returns than fixed income or cash but expect there will be a material increase in volatility.

#### Economic and Market Drivers

Tailwinds	Headwinds
Low interest rates	Fed Policy – rising rates and balance sheet runoff
Fiscal Stimulus Package	High U.S. Equity Valuations
Improving Real Household Income	Tight U.S. labor market – rising labor costs
Low Inflation	Political confusion – debt ceiling
Animal Spirits rising - Business Optimism	Protectionist Trade Policies
Household Formation Increasing	Aging Demographics in Developed Markets
Lack of Investor Euphoria	China Slowdown / Deleveraging

## Bonds

After an unimpressive, but again positive, 0.4% quarterly gain for the Bloomberg Barclay's Aggregate Bond Index, the annual return amounted to a respectable 3.5%. An ongoing reach for yield drove performance, as duration and credit risk generated the highest returns by a wide margin. Maturities greater than 10 years posted a 10.5% gain, and lower-rated credits produced 7.5% for the full year. In contrast, anything maturing in under 5 years increased less than 2%. As we expected rates to rise along the curve, we believed the best strategy was to be positioned defensively with duration shorter than the benchmark and underweights in the longest maturities.

Given the insatiable investor appetite for yield, corporate issuers took advantage of the low rate environment and sold \$1.4 trillion in investment grade bonds, setting another record for the fourth consecutive year. Spreads tightened to 95 basis points, a historically tight level. Even with limited room for further spread compression, we continue to favor spread product and, in particular, corporates. With the passing of the tax bill and our expectation for positive GDP growth over

the foreseeable future, we believe credit fundamentals should remain stable and prefer the higher yields relative to Treasuries. Additionally, there may be less supply following tax reform, as companies should have decreased need to issue bonds subsequent to the significant tax savings or repatriation cash from overseas. As we already are quite overweight the corporate sector and wary of the diminishing compensation for risk, our bias is not to add to the overweight but to be selective regarding future purchases and strategically sell overly rich positions in order to maintain our current exposure.

While we anticipated higher rates and some narrowing between the 2-year and 10-year Treasury yields, the magnitude of the flattening has been impressive. Heading into 2018, we are watching carefully for the prospect of an inverted yield curve and the potential for a subsequent recession which cannot be ruled out. However, our forecast does not include such an outcome and instead calls for continued positive growth. Going into the new year, we will look for opportunities to purchase bonds in the intermediate part of the curve to lessen the underweight and extend on any material backups in rates, which could occur if inflation picks up domestically or the European Central Bank (ECB) ceases their bond buying program. Should the ECB let the program run out in September of 2018, more bonds would be available to foreign investors, pressuring extremely low European yields higher and diverting the demand for US securities.

Municipal bonds were an unexpected casualty of the tax reform debate, resulting in wild price swings as investors snapped up the bonds of municipalities rushing to sell a record number of bonds in December. Overall, the market's performance for the quarter and year were solid, with the Barclay's Municipal Bond Index advancing 0.8% and 5.5%, respectively, masking a sharp increase in volatility during the last two months of the year. Meanwhile, yields on the shortest maturities grinded higher in sympathy with the Fed's tightening, resulting in a much flatter yield curve than we have seen post-crisis, as the difference in yield between the shortest and longest maturities narrowed. Overall, yields on all maturities finished well above the near-record lows seen this summer, restoring a degree of value in the market absent for some time.

As noted in prior communications, we expected yields to move higher from mid-year as the economy continued to perform well and inflation, particularly on the wage front, slowly advanced, forcing the Fed to continue tightening monetary policy. This scenario became mere background noise compared to the gyrations caused by

tax reform proposals. The most damaging to the muni market would have been the House version of the bill, which threatened to eliminate traditional heavyweight borrowers such as hospitals, higher education and housing authorities from utilizing the market starting calendar year 2018. Yields started to rise as investors correctly assumed that those entities would rush to the market to beat the year-end deadline. In addition, both the House and Senate bills proposed elimination of advance refunding deals which are used to defease outstanding, higher-yielding debt with new bonds paying lower coupons after a drop in interest rates. As a result, advance refunding deals flooded the new issue calendar heading into year-end as well. All told, December issuance was a single-month record of \$62.5 billion.

Thankfully, the final bill still provided not-for-profit issuers access to the market. While the elimination of advance refundings negatively impacts borrowing costs for issuers, we are not overly concerned. Our expectation for a continued rise in interest rates means fewer coupons would be candidates for refunding moving forward.

Our largest concern post-reform is the change of behavior within the corporate sector, particularly bank and insurance companies that traditionally have been large players in the municipal bond market. The reduced corporate tax rate likely diminishes corporate demand for tax-free bonds since lower rates reduce the value of a tax-free income stream. However, households and mutual funds remain the largest buyer base, and while the top bracket for individuals is lower (now at 37% versus 39.6%), it still resides at a level where municipal bonds will be competitive on an after-tax basis. Also, the 3.8% surcharge on investment income to fund the Affordable Care Act shockingly survived the final tax bill. The tax does not apply to municipal income, which further adds to the market's appeal.

We continue to believe a conservative maturity profile is most appropriate given the risk of higher interest rates. In times of disruption (such as late November/early December) or periods of heavy new issue supply, we will look to extend into longer maturities to lock in attractive income streams should pricing become compelling. Over time, we expect intermediate maturities to cheapen as the Fed's rate increases advance, and we likely will add to these maturities. We have shunned this part of the yield curve of late given such low absolute yields that investors are not generating positive real returns net of inflation.

## Conclusion

The environment that resulted in the generous market returns of 2017 remains in place: relatively low inflation and interest rates, healthy employment levels and modest but positive economic growth. Now added to this mix is the start of a new tax package for both corporations and individuals. We do not see factors that would indicate the onset of a recession, although we expect to experience more garden-variety pullbacks of >5%, which happen, on average, every 3 months. It has been 14 months since the last one.

At the same time, we are well aware that valuations of many assets are rich, central banks are becoming less accommodative, and that exceptionally low market volatility is an indication of complacency that assigns a very low probability of any unexpected negative surprise or shocks. We also note that the new stimulus may be overkill at a time when economic growth already has picked up, asset prices have steadily risen and employment is strong. Down the road, it adds to the deficit with the risk that there is little room for additional stimulus in the next downturn. But for now, Happy New Year.

Diocesan Investment Trust Combined

Investment Performance Summary  
December 31, 2017

Market Value	Performance Segment	Inception Date	Quarter To Date	Last 12 Months	Annualized			Inception To Date
					Last 3 Years	Last 5 Years	Last 10 Years	
\$46,988,117	Total Portfolio	3/1/2000	4.83	19.86	8.20	10.14	5.33	7.20
\$4,243,802	Total Fixed Income	3/22/2011	0.11	3.94	2.96	2.36	N/A	3.42
	<i>Bloomberg Barclays US Gov't/Credit Intermediate</i>		(0.20)	2.14	1.76	1.50	N/A	2.41
	Fixed Income	12/5/2013	0.06	3.16	2.71	N/A	N/A	3.32
	Fixed Income Funds & Trusts	3/22/2011	0.24	6.17	4.21	3.05	N/A	3.94
\$39,921,025	Total Equities	3/1/2000	5.77	23.97	9.72	12.70	6.91	7.52
	<i>S&amp;P 500</i>		6.64	21.83	11.41	15.79	8.50	5.82
	<i>Russell 2000</i>		3.34	14.65	9.96	14.12	8.71	7.47
	<i>MSCI EAFE TR Net</i>		4.23	25.03	7.80	7.90	1.94	3.44
	<i>MSCI Emerging Markets TR Net</i>		7.44	37.28	9.10	4.35	1.68	7.31
	Equity	3/1/2000	6.94	22.89	9.39	13.43	7.84	7.97
	Equity Funds & Trusts	11/30/2005	3.00	25.76	10.59	10.48	2.08	5.16
	Small Cap Equity Funds	1/31/2013	3.60	28.44	15.38	N/A	N/A	15.64
	<i>Russell 2000</i>		3.34	14.65	9.96	N/A	N/A	12.98
	International Equity Funds	12/31/2010	2.18	22.90	5.12	4.29	N/A	3.14
	<i>MSCI AC World (ex-US) TR Net</i>		5.00	27.19	7.83	6.80	N/A	4.93
\$1,936,698	Total Alternatives	2/5/2013	0.95	3.58	(0.56)	N/A	N/A	(1.11)

# Diocesan Investment Trust

## Investment Growth

Time Period: 3/1/2000 to 12/31/2017



## Relative Cumulative Performance

Time Period: 4/1/2000 to 12/31/2017

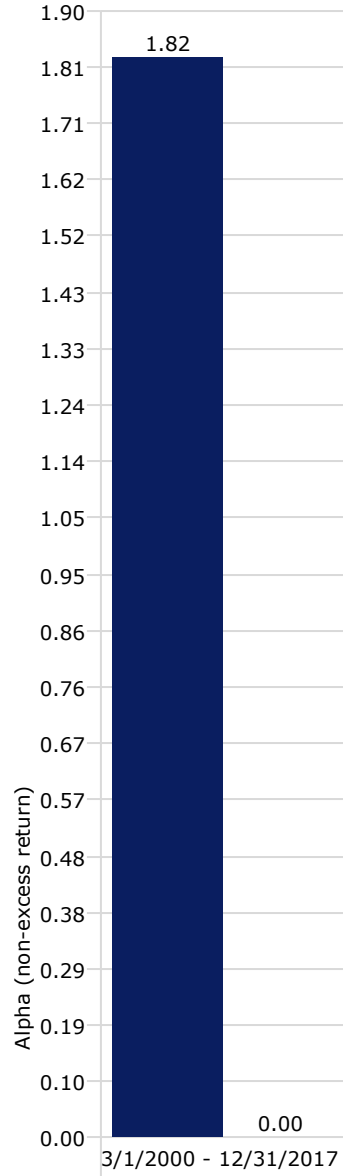




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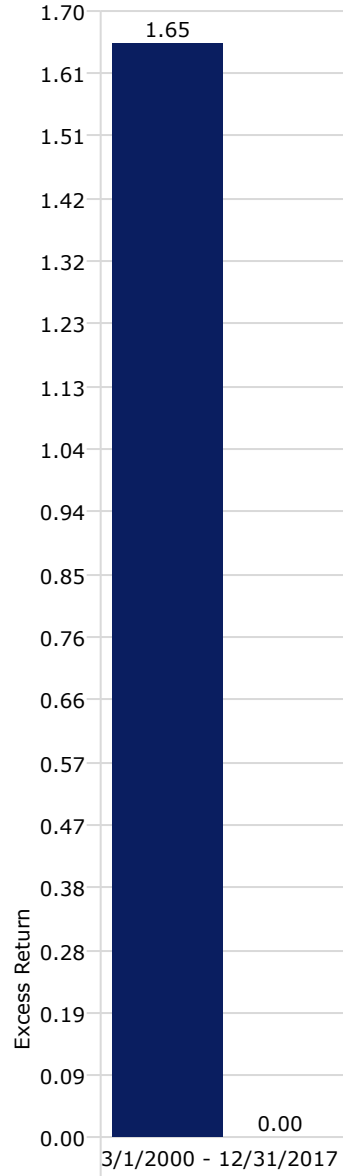
## Alpha

As of Date: 12/31/2017



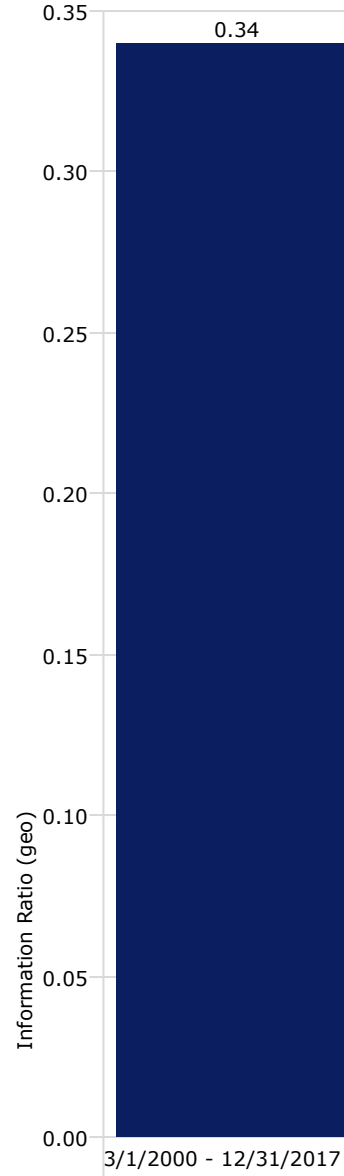
## Excess Return

As of Date: 12/31/2017



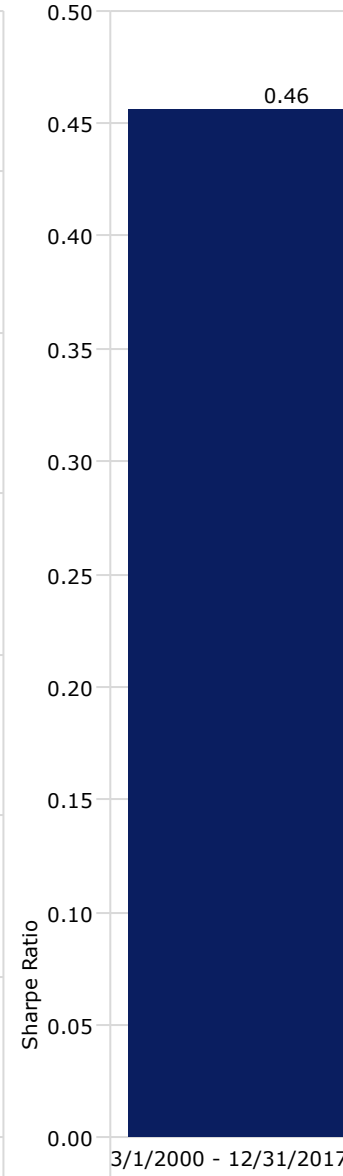
## Information Ratio

As of Date: 12/31/2017



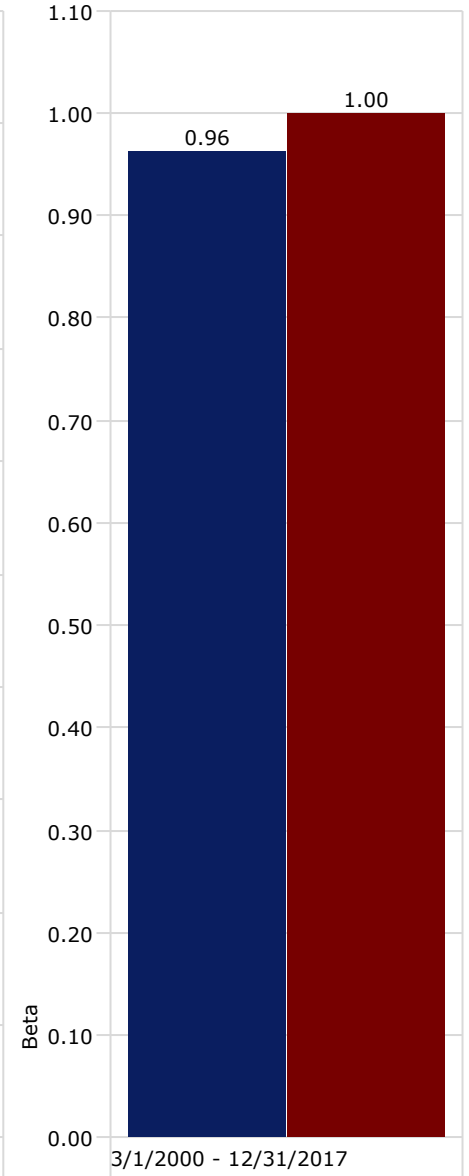
## Sharpe Ratio

As of Date: 12/31/2017

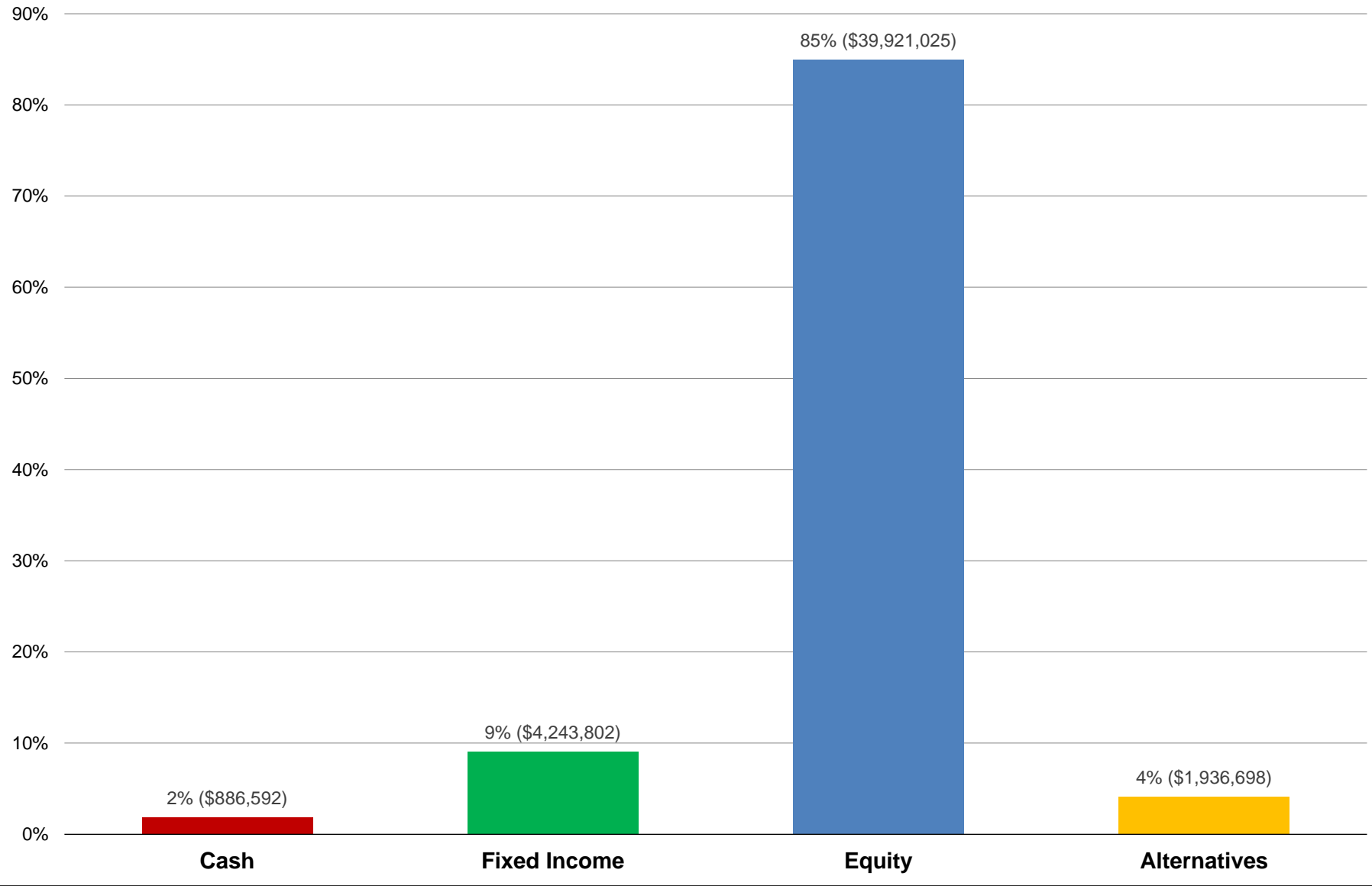


## Beta

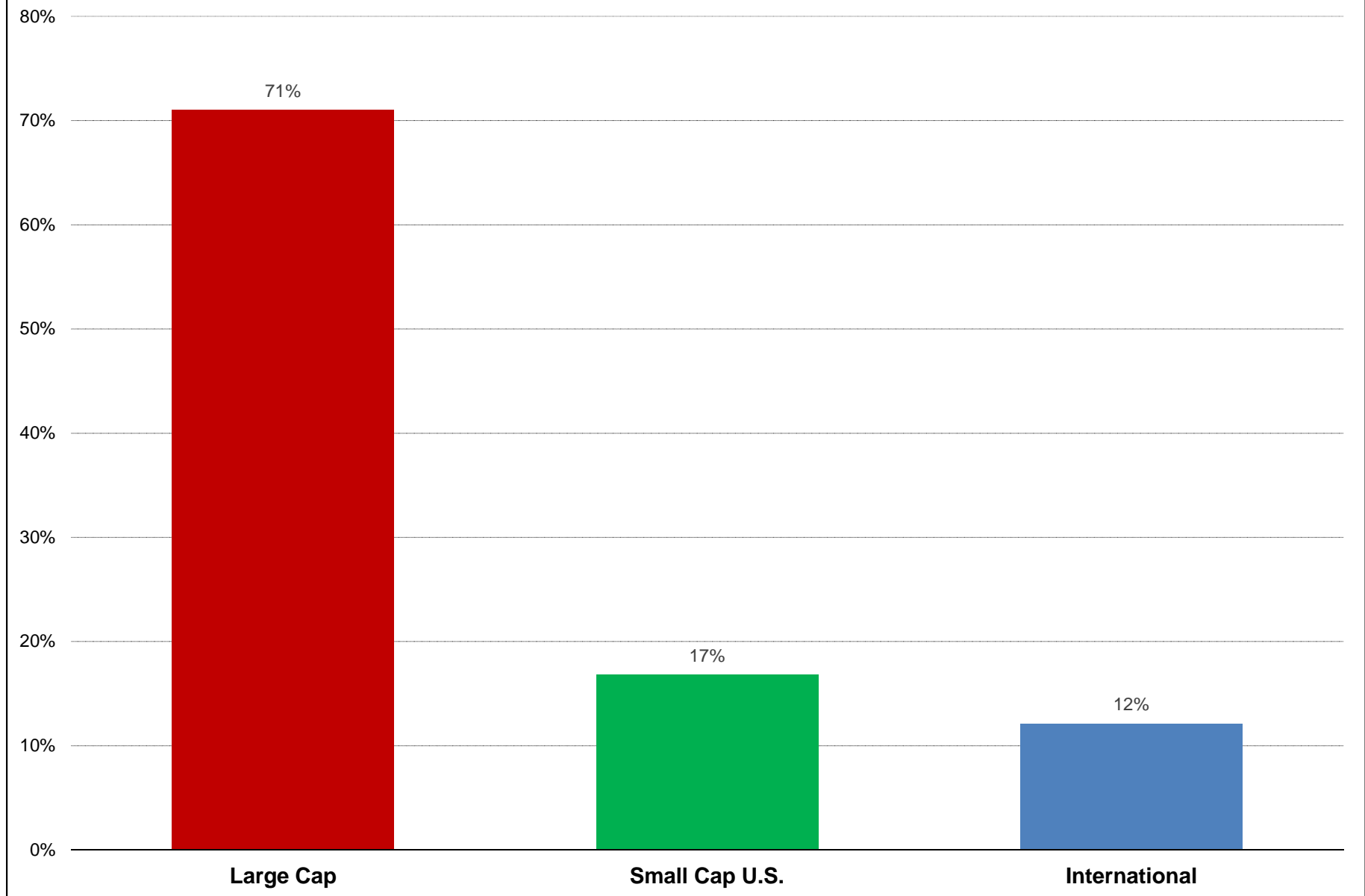
As of Date: 12/31/2017



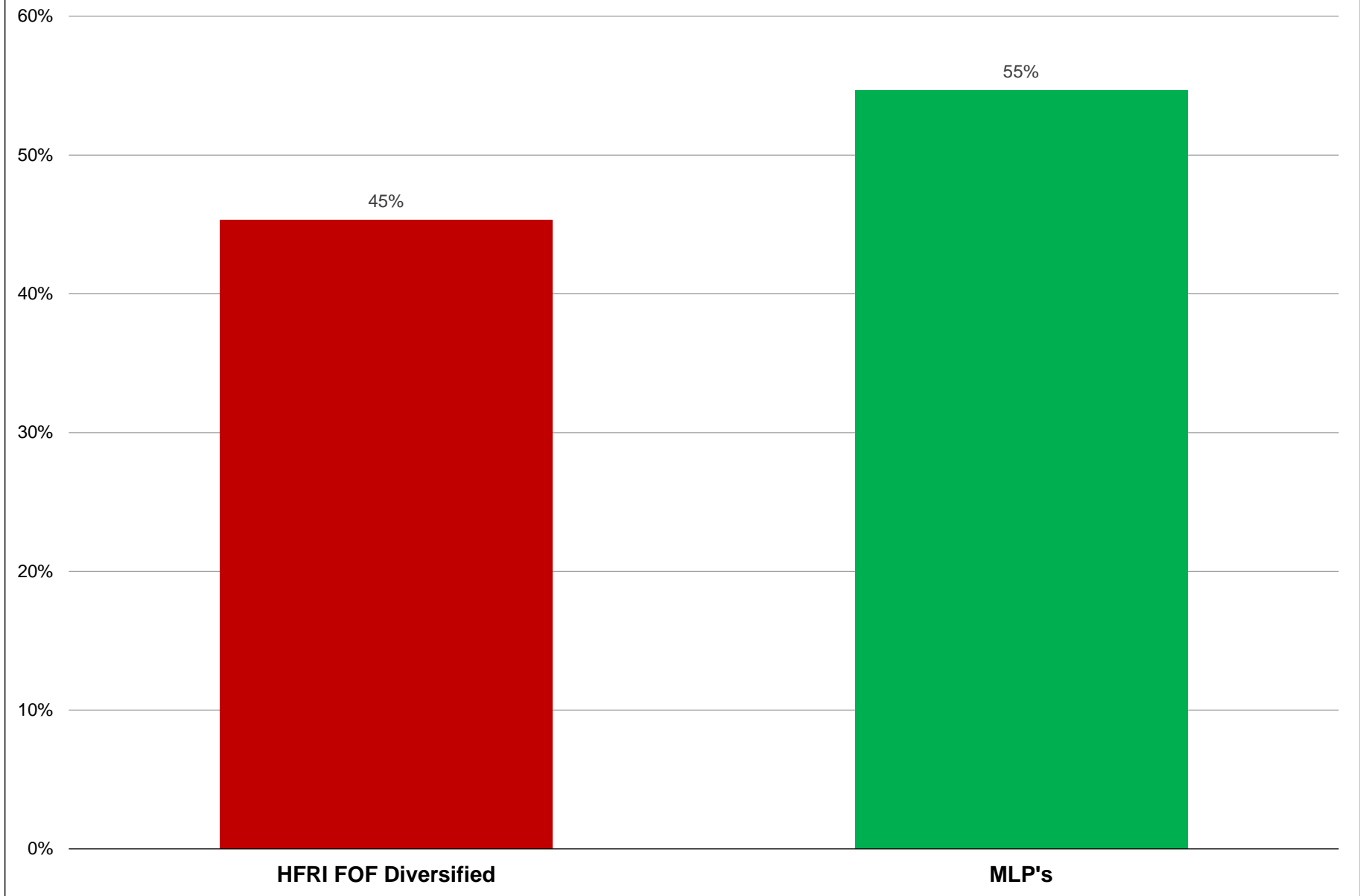
**Diocesan Investment Trust Asset Allocation**  
**Total Market Value: \$46,988,117**  
as of 12/31/2017



## Equity Weightings as a % of Total Equities as of 12/31/2017



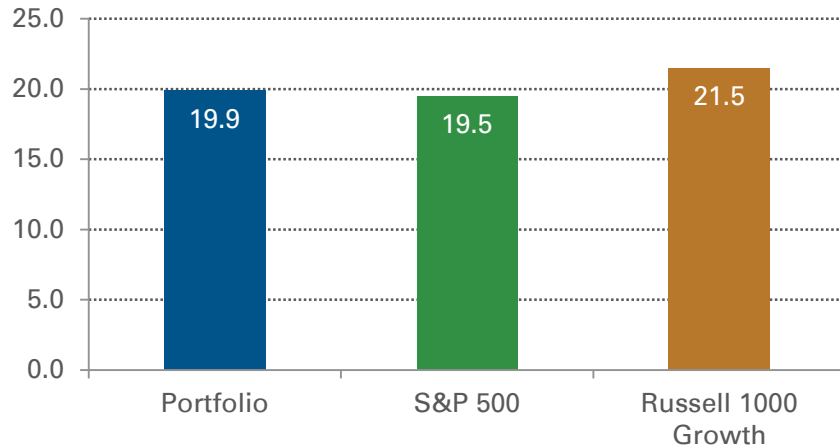
### Alternative Weightings as a % of Total Alternatives as of 12/31/2017



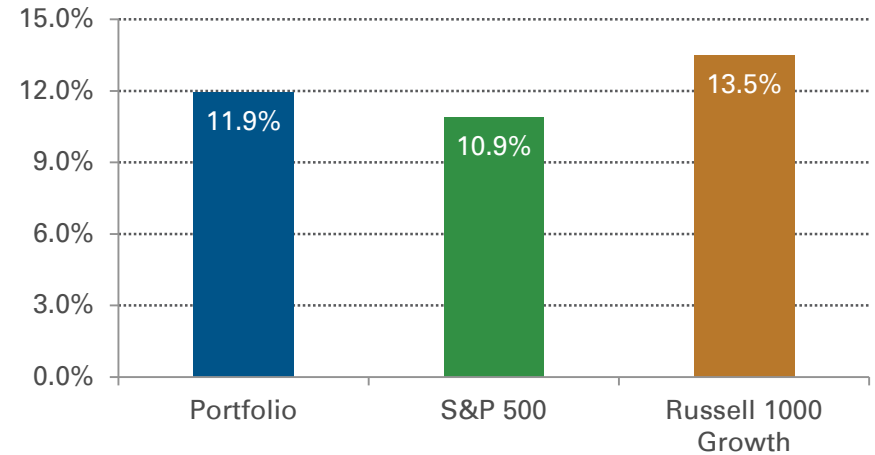
# Portfolio Characteristics

Data as of December 31, 2017

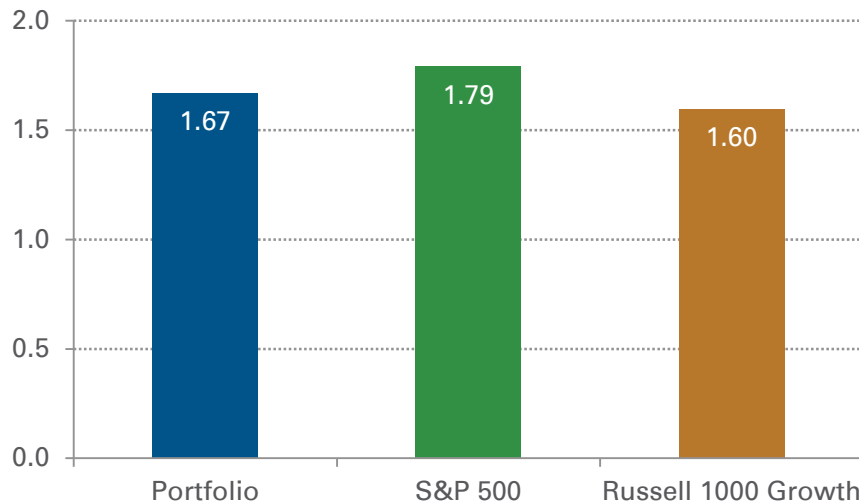
### P/E Ratio (FY 2018)



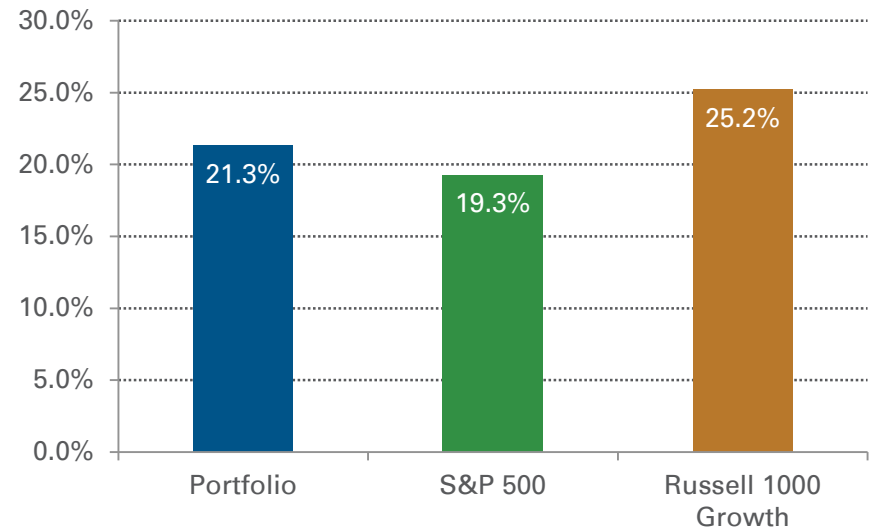
### Estimated Long Term Future Earnings Growth



### PEG Ratio (3 Year Estimated Growth)



### Return on Equity

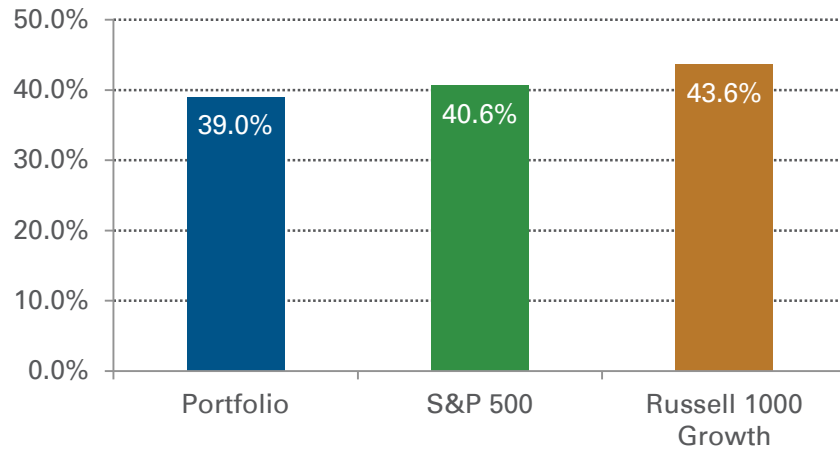


\*Portfolio characteristics are for a representative portfolio and are subject to change. Characteristics of individual portfolios may vary.

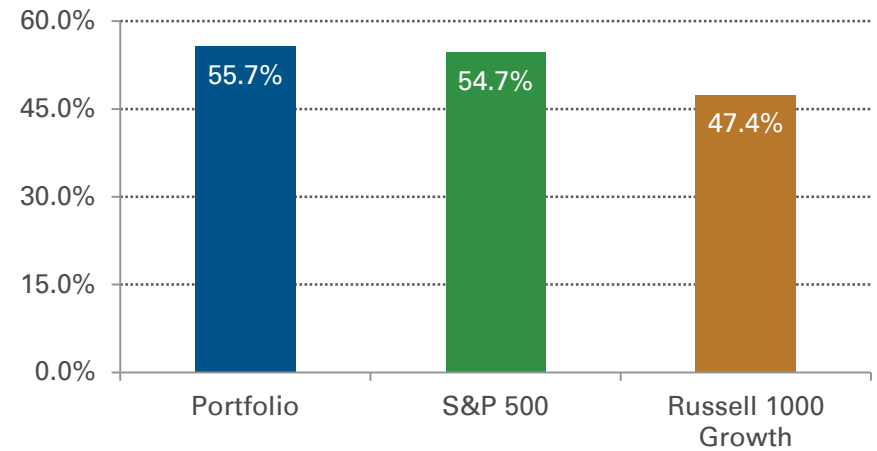
# Portfolio Characteristics

Data as of December 31, 2017

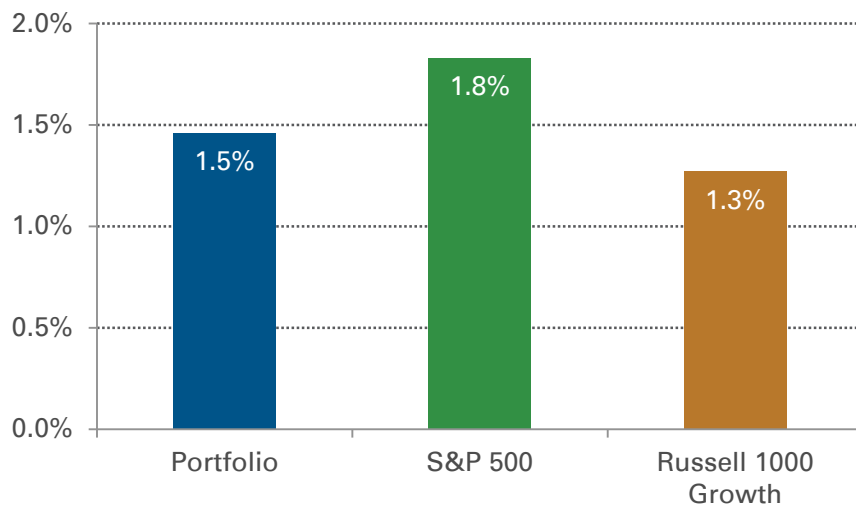
### Long Term Debt/Capital Ratio



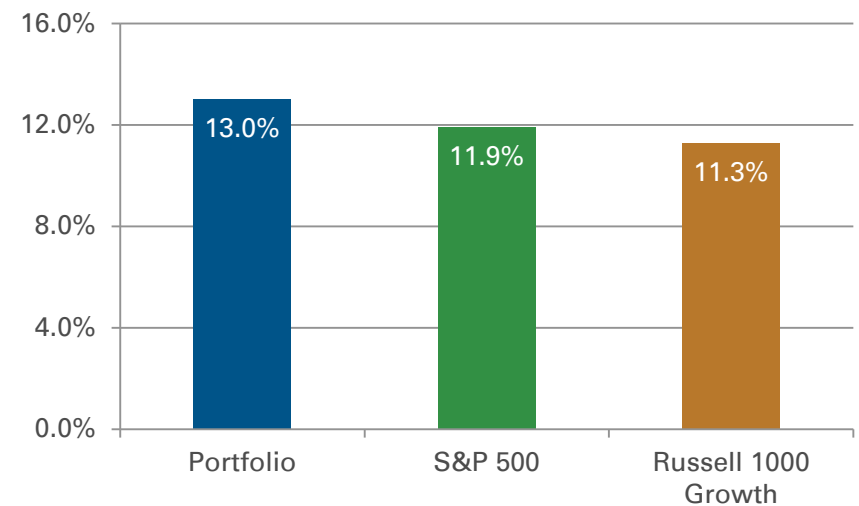
### S&P Quality Rating B+ or Better



### Dividend Yield



### 5 Year Dividend Growth (Historical)

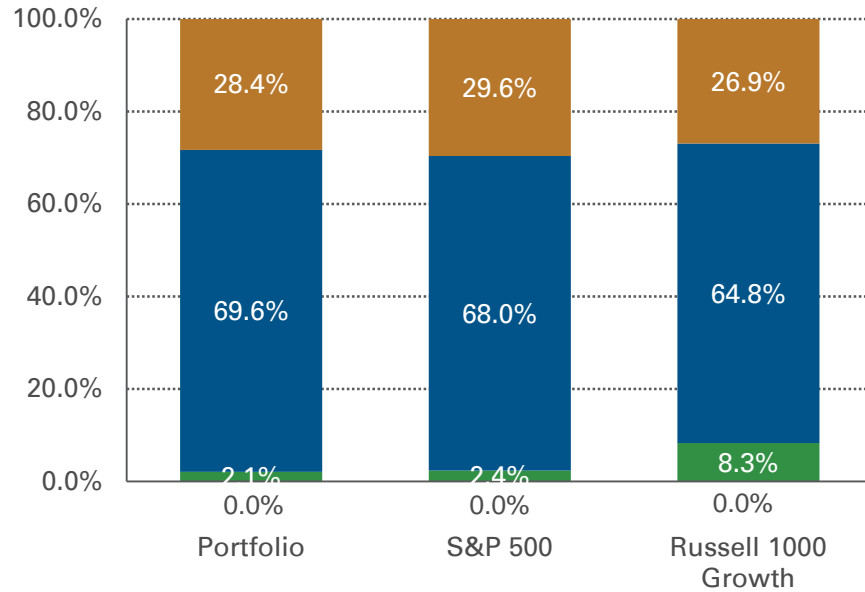


\*Portfolio characteristics are for a representative portfolio and are subject to change. Characteristics of individual portfolios may vary.

# Portfolio Characteristics

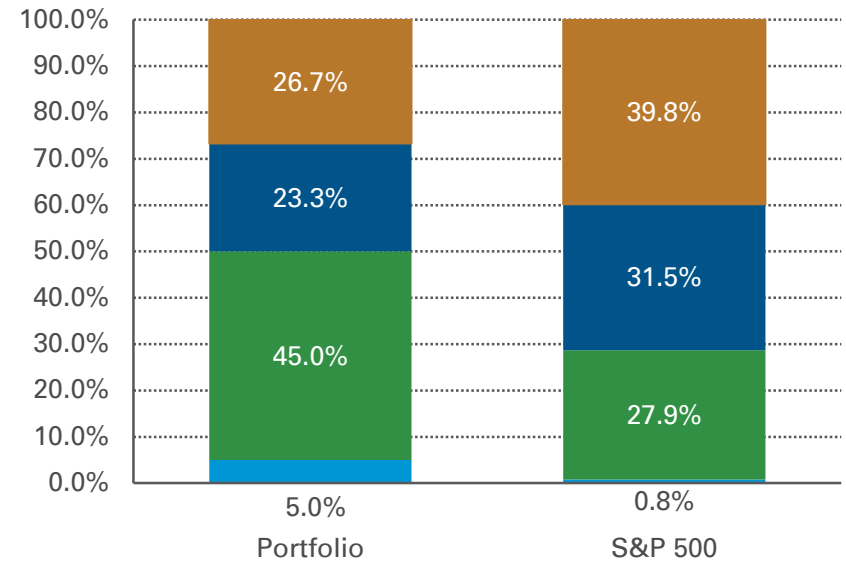
Data as of December 31, 2017

### Market Capitalization



- Mega Cap (> 200 billion)
- Large Cap (10 billion – 200 billion)
- Mid Cap (2 billion – 10 billion)
- Small Cap (300 million – 2 billions)

### Growth vs. Value Membership



- Member of Russell 1000 Value Only
- Member of Both Russell 1000 Growth & Value
- Member of Russell 1000 Growth Only
- Member of Neither Index

\*Portfolio characteristics are for a representative portfolio and are subject to change. Characteristics of individual portfolios may vary.

# Portfolio Characteristics

As of December 31, 2017

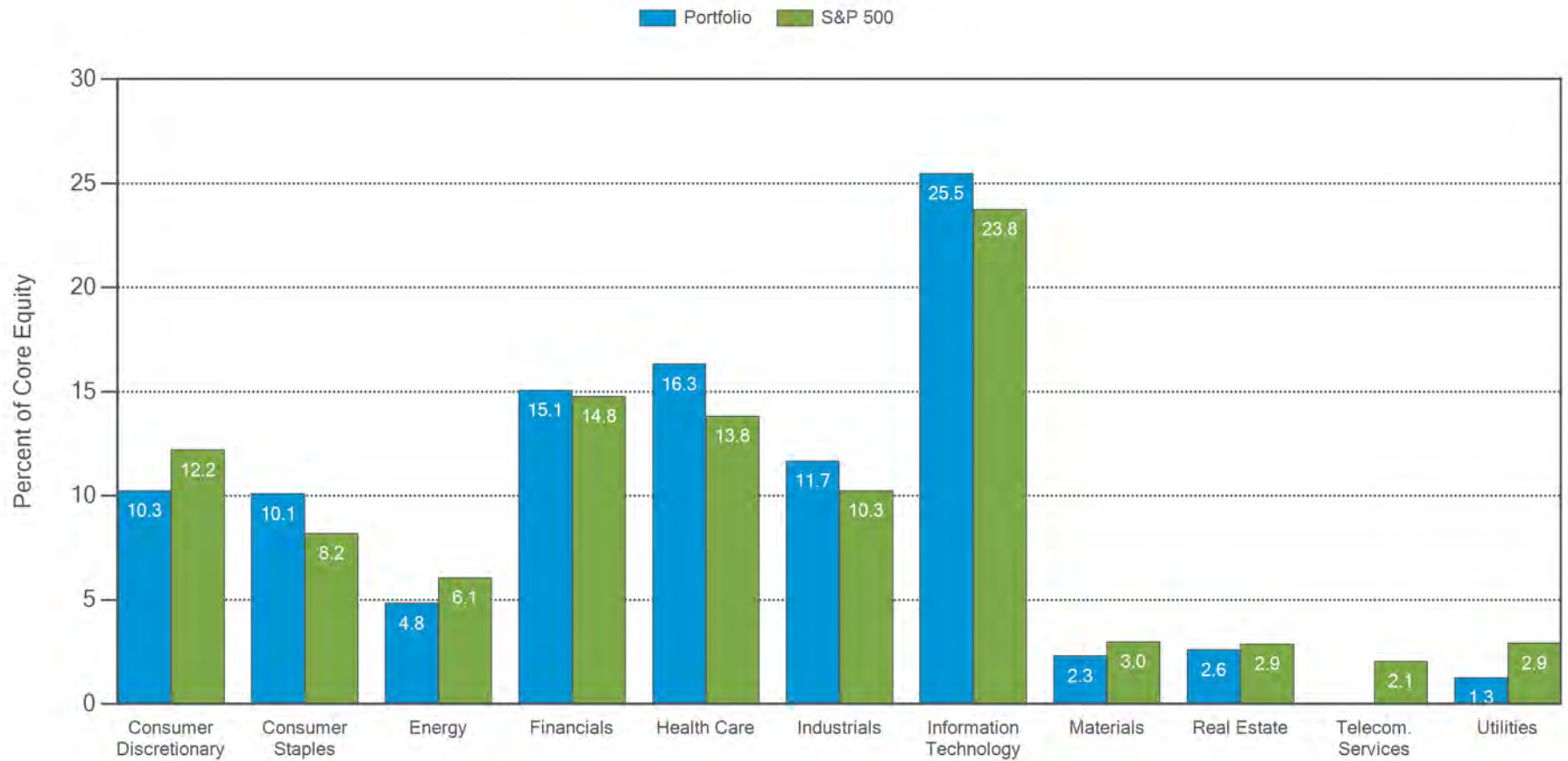
		Portfolio	S&P 500
<b>Valuation</b>	P/E Ratio (FY 2018)	19.9	19.5
	Price to Book Value	4.9	4.6
<b>Earnings Growth</b>	Projected Earnings Growth (3 Years)	11.9	10.9
<b>Profitability</b>	Return on Equity	21.3	19.3
<b>Leverage</b>	Long Term Debt/Capital	39.0	40.6
<b>Yield</b>	Current Dividend Yield	1.5	1.8
<b>Dividend</b>	Historical 5 Year Growth	13.0	11.9
<b>Market Capitalization (\$ Millions)</b>	Weighted Average Market Cap	\$177,114	\$196,681

\*Portfolio characteristics are for a representative portfolio and are subject to change. Characteristics of individual portfolios may vary.



# Stock Sector Analysis

As of December 31, 2017



Includes Unsupervised Assets

Diocesan Investment Trust-Equities  
Account: Diocesan Investment Trust-Equities

# 10 Largest Equity Positions

As of December 31, 2017

Security Description	Security	Sector	Market Value	Percent of Equity
Apple Inc	AAPL	Information Technology	\$1,275,148	4.5
UnitedHealth Group Inc	UNH	Health Care	\$1,127,653	4.0
JPMorgan Chase & Co.	JPM	Financials	\$1,077,955	3.8
Thermo Fisher Scientific Inc	TMO	Health Care	\$980,730	3.5
Home Depot Inc	HD	Consumer Discretionary	\$969,635	3.4
Visa Inc	V	Information Technology	\$820,374	2.9
Estee Lauder Companies	EL	Consumer Staples	\$686,460	2.4
SunTrust Banks, Inc.	STI	Financials	\$654,943	2.3
Parker Hannifin Corp.	PH	Industrials	\$612,711	2.2
Union Pacific Corp.	UNP	Industrials	\$581,994	2.1
<b>10 Largest Equity Positions</b>			<b>\$8,787,603</b>	<b>31.0</b>
<b>Total Equity</b>			<b>\$28,364,016</b>	

# Top/Bottom Equity Performance

As of December 31, 2017

## Top 5 Performers

Security Description	Sector	Dividend Yield	Percent of Equity	YTD Total Return
PayPal Holdings	Information Technology	0.0	2.0	86.5
Estee Lauder Companies	Consumer Staples	1.1	2.4	68.7
Apple Inc	Information Technology	1.5	4.5	48.5
Visa Inc	Information Technology	0.7	2.9	47.2
Parker Hannifin Corp.	Industrials	1.3	2.2	44.9

*S&P 500*

*21.8*

## Bottom 5 Performers

Security Description	Sector	Dividend Yield	Percent of Equity	YTD Total Return
Regeneron Pharmaceuticals Inc	Health Care	0.0	0.7	(23.8)
Schlumberger Limited	Energy	3.0	0.6	(17.4)
CBS Corp New	Consumer Discretionary	1.2	1.5	(11.8)
Celgene Corp	Health Care	0.0	1.1	(9.8)
CVS Health Corp	Consumer Staples	2.8	1.6	(5.7)

If first acquired during the year, the Total Return is the return from close of the date of acquisition to the end of the period  
Past performance is no guarantee of future results

# Fixed Income Characteristics

As of 12/31/2017

	Diocesan Investment Trust	Bloomberg Barclays US Aggregate Intermediate
Average Quality*	A+	AA
Average Coupon	3.72%	2.82%
Average YTW	2.59%	2.56%
Average Life (Years)	4.71	5.10
Average Effective Duration	3.82	4.18

- The average quality of the portfolio is very high despite being lower than the benchmark.
- The higher average coupon is indicative of our emphasis on higher cash flows with which to reinvest at higher rates.
- The relatively low duration reflects our conservative positioning in advance of higher rates.

\*Average quality is determined using the lower of S&P and Moody's ratings.

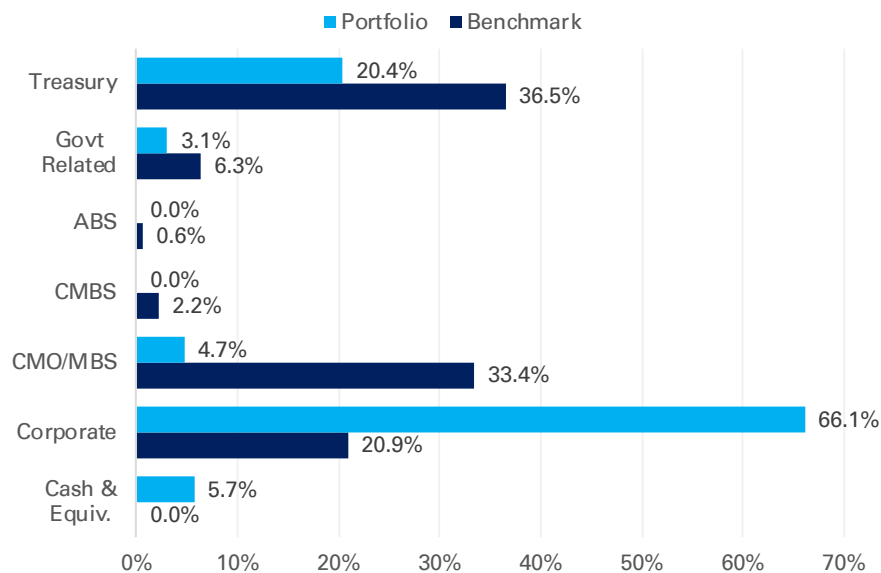
Source: FactSet

# Fixed Income Characteristics

As of 12/31/2017

## Sector Allocation as of 12/31/2017

Market Value Weighted

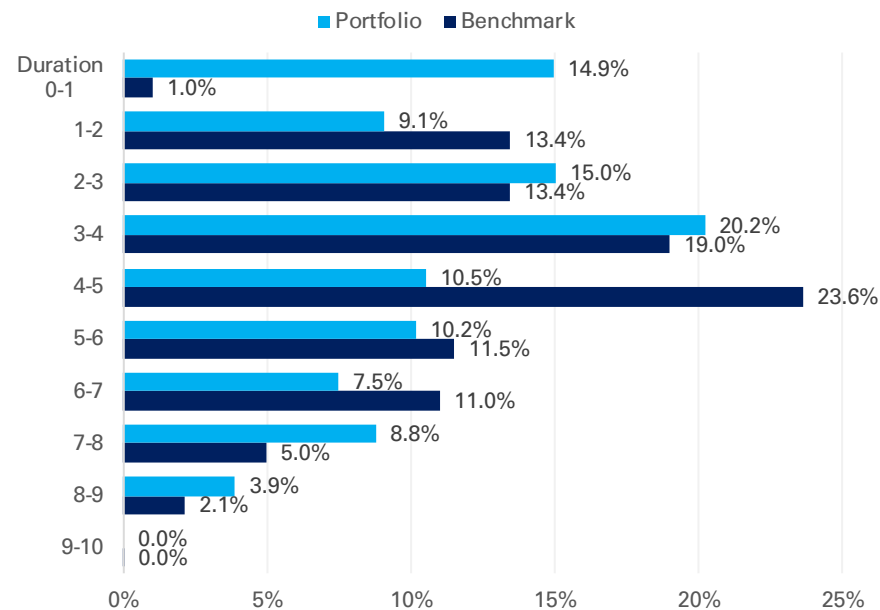


- The Fed raised the target Federal Funds Rate in December to 1.25% - 1.50% and began balance sheet normalization in October. The market is expecting 2-3 additional hikes in 2018.
- In light of upcoming fiscal and monetary policy, we are considering changes in the shape of the yield curve and continue to move towards a more laddered term structure strategy to lessen the underweight to various maturities.

- We continue to purchase spread product, more specifically corporates.
- Recent corporate purchases include:
  - Intercontinental Exchange (A2/A)
  - Express Scripts (Baa2/BBB+)
  - Simon Property Group (A2/A)

## Term Structure as of 12/31/2017

Market Value Weighted



# Detailed Holdings

As of December 31, 2017

Quantity	Description (Ticker)	Purchase Date	Unit Cost	Market Price	Purchase Cost	Market Value	Percent of Assets	Estimated Annual Income	Estimated Current Yield
<b>Cash and Cash Equivalent</b>									
<b>Taxable Cash Equivalent</b>									
	Cash & Equivalents		1.00	1.00	886,592	886,592	1.9%	7,891	0.9%
<b>Total Taxable Cash Equivalent</b>					<b>\$886,592</b>	<b>\$886,592</b>	<b>1.9%</b>	<b>\$7,891</b>	<b>0.9%</b>
<b>Total Cash and Cash Equivalent</b>					<b>\$886,592</b>	<b>\$886,592</b>	<b>1.9%</b>	<b>\$7,891</b>	<b>0.9%</b>
<b>Fixed Income</b>									
<b>Taxable</b>									
<b>Treasury</b>									
<i>US Treasury</i>									
20,000	US Treasury Note 3.625% Due 8/15/2019	07/30/2014	102.93	102.78	20,587	20,830	0.0%	725	1.9%
45,000	US Treasury Note 3.625% Due 2/15/2020	01/26/2017	104.34	103.58	46,953	47,228	0.1%	1,631	1.9%
75,000	U.S. Treasury Bond 7.875% Due 2/15/2021	10/29/2014	118.69	117.80	89,015	90,579	0.2%	5,906	2.0%
20,000	US Treasury Note 3.125% Due 5/15/2021	04/02/2014	102.39	103.47	20,479	20,775	0.0%	625	2.1%
35,000	US Treasury Bond 8.000% Due 11/15/2021	02/15/2017	122.44	121.83	42,855	43,005	0.1%	2,800	2.1%
30,000	U.S. Treasury Bond 7.250% Due 8/15/2022	02/17/2015	123.69	122.42	37,108	37,548	0.1%	2,175	2.1%

Please see the Disclosures page immediately following this report for important disclosures and information

Account: 88277CB\_RptGroup

# Detailed Holdings

As of December 31, 2017

Quantity	Description (Ticker)	Purchase Date	Unit Cost	Market Price	Purchase Cost	Market Value	Percent of Assets	Estimated Annual Income	Estimated Current Yield
35,000	U.S. Treasury Bond 7.625% Due 11/15/2022	06/29/2017	126.67	125.20	44,333	44,166	0.1%	2,669	2.1%
30,000	U.S. Treasury Bond 7.125% Due 2/15/2023	03/06/2015	124.67	123.68	37,401	37,911	0.1%	2,138	2.2%
45,000	U.S. Treasury Bond 6.250% Due 8/15/2023	09/12/2014	121.15	121.13	54,519	55,569	0.1%	2,813	2.2%
76,000	U.S. Treasury Bond 7.500% Due 11/15/2024	09/29/2015	134.92	132.84	102,542	101,698	0.2%	5,700	2.3%
30,000	U.S. Treasury Bond 7.625% Due 2/15/2025	11/30/2015	136.21	134.69	40,864	41,271	0.1%	2,288	2.3%
80,000	US Treasury Bond 6.000% Due 2/15/2026	10/07/2016	131.58	126.79	105,267	103,244	0.2%	4,800	2.4%
20,000	US Treasury Bond 6.750% Due 8/15/2026	11/10/2016	136.48	134.15	27,296	27,340	0.1%	1,350	2.4%
<b>Total US Treasury</b>					<b>\$669,218</b>	<b>\$671,164</b>	<b>1.4%</b>	<b>\$35,619</b>	<b>2.2%</b>
<b>Total Treasury</b>					<b>\$669,218</b>	<b>\$671,164</b>	<b>1.4%</b>	<b>\$35,619</b>	<b>2.2%</b>
<b>Agency</b>									
<i>US Agency</i>									
35,000	Federal National Mortgage Association 2.125% Due 4/24/2026	10/28/2016	99.88	96.50	34,960	33,913	0.1%	744	2.6%

Please see the Disclosures page immediately following this report for important disclosures and information

Account: 88277CB\_RptGroup

# Detailed Holdings

As of December 31, 2017

Quantity	Description (Ticker)	Purchase Date	Unit Cost	Market Price	Purchase Cost	Market Value	Percent of Assets	Estimated Annual Income	Estimated Current Yield
50,000	Federal National Mortgage Association 6.250% Due 5/15/2029	10/31/2016	91.12	133.69	45,559	67,245	0.1%	3,125	2.8%
<b>Total US Agency</b>					<b>\$80,519</b>	<b>\$101,158</b>	<b>0.2%</b>	<b>\$3,869</b>	<b>2.7%</b>
<b>Total Agency</b>					<b>\$80,519</b>	<b>\$101,158</b>	<b>0.2%</b>	<b>\$3,869</b>	<b>2.7%</b>
<b>Residential MBS</b>									
<i>US Agency CMO</i>									
88,801.82	FHLMC REMIC Series 4583 3.500% Due 5/15/2045	08/16/2016	103.79	101.55	92,169	90,439	0.2%	3,108	3.3%
<b>Total US Agency CMO</b>					<b>\$92,169</b>	<b>\$90,439</b>	<b>0.2%</b>	<b>\$3,108</b>	<b>3.3%</b>
<i>US Agency Passthrough</i>									
61,195.45	GNMA Pass-Thru X Single Family 4.500% Due 3/15/2040	12/06/2013	105.60	105.27	64,622	64,649	0.1%	2,754	3.0%
<b>Total US Agency Passthrough</b>					<b>\$64,622</b>	<b>\$64,649</b>	<b>0.1%</b>	<b>\$2,754</b>	<b>3.0%</b>
<b>Total Residential MBS</b>					<b>\$156,792</b>	<b>\$155,088</b>	<b>0.3%</b>	<b>\$5,862</b>	<b>3.2%</b>
<b>Corporate</b>									
<i>Consumer Discretionary</i>									
100,000	Toyota Motor Credit Corp 2.750% Due 5/17/2021	05/13/2014	100.00	101.01	100,000	101,344	0.2%	2,750	2.4%
65,000	General Motors Co 4.875% Due 10/2/2023	03/28/2017	106.14	108.22	68,992	71,125	0.1%	3,169	3.3%

Please see the Disclosures page immediately following this report for important disclosures and information

Account: 88277CB\_RptGroup



# Detailed Holdings

As of December 31, 2017

Quantity	Description (Ticker)	Purchase Date	Unit Cost	Market Price	Purchase Cost	Market Value	Percent of Assets	Estimated Annual Income	Estimated Current Yield
20,000	NIKE Inc 2.375% Due 11/1/2026 Callable 8/1/2026 @ 100	10/18/2016	99.87	95.27	19,975	19,133	0.0%	475	3.0%
65,000	Ford Motor Co 4.346% Due 12/8/2026 Callable 9/8/2026 @ 100	12/05/2016	100.19	104.26	65,124	67,948	0.1%	2,825	3.8%
<b>Total Consumer Discretionary</b>					<b>\$254,090</b>	<b>\$259,550</b>	<b>0.5%</b>	<b>\$9,219</b>	<b>3.1%</b>
<i>Consumer Staples</i>									
40,000	PepsiCo Inc 3.100% Due 7/17/2022 Callable 5/17/2022 @ 100	07/14/2015	100.03	102.40	40,010	41,523	0.1%	1,240	2.5%
30,000	CVS Health Corp 3.875% Due 7/20/2025 Callable 4/20/2025 @ 100	07/13/2015	99.42	102.99	29,826	31,416	0.1%	1,163	3.4%
<b>Total Consumer Staples</b>					<b>\$69,837</b>	<b>\$72,939</b>	<b>0.2%</b>	<b>\$2,403</b>	<b>2.9%</b>
<i>Energy</i>									
60,000	BP Capital Markets PLC 2.495% Due 9/16/2021	09/13/2016	100.00	101.83	60,000	61,156	0.1%	1,497	2.0%
<b>Total Energy</b>					<b>\$60,000</b>	<b>\$61,156</b>	<b>0.1%</b>	<b>\$1,497</b>	<b>2.0%</b>
<i>Financials</i>									
80,000	Toronto-Dominion Bank 1.450% Due 8/13/2019	07/15/2016	99.91	98.84	79,925	79,513	0.2%	1,160	2.2%
45,000	Westpac Banking Corp 4.875% Due 11/19/2019	06/19/2017	105.22	104.83	47,347	47,430	0.1%	2,194	2.2%

Please see the Disclosures page immediately following this report for important disclosures and information

Account: 88277CB\_RptGroup

# Detailed Holdings

As of December 31, 2017

Quantity	Description (Ticker)	Purchase Date	Unit Cost	Market Price	Purchase Cost	Market Value	Percent of Assets	Estimated Annual Income	Estimated Current Yield
50,000	American Express Credit Corp 2.200% Due 3/3/2020 Callable 2/1/2020 @ 100	03/01/2017	99.96	99.70	49,981	50,209	0.1%	1,100	2.3%
65,000	Toronto-Dominion Bank - Green Bond 1.850% Due 9/11/2020	09/07/2017	99.90	98.89	64,934	64,645	0.1%	1,203	2.3%
45,000	JPMorgan Chase & Co 4.250% Due 10/15/2020	06/08/2017	105.29	104.85	47,379	47,587	0.1%	1,913	2.4%
65,000	JPMorgan Chase & Co 2.636% Due 6/7/2021 Callable 5/7/2021 @ 100	04/19/2017	101.36	102.19	65,881	66,543	0.1%	1,713	2.0%
55,000	Bank of Montreal 2.271% Due 8/27/2021	08/24/2016	100.06	101.28	55,035	55,826	0.1%	1,249	1.9%
50,000	Aflac Inc 4.000% Due 2/15/2022	06/11/2014	103.65	105.24	51,824	53,378	0.1%	2,000	2.6%
35,000	TD Ameritrade Holding Co 2.950% Due 4/1/2022 Callable 2/1/2022 @ 100	03/04/2015	100.04	101.20	35,014	35,677	0.1%	1,033	2.6%
25,000	State Street Corp 3.100% Due 5/15/2023	05/30/2014	98.71	100.87	24,678	25,316	0.1%	775	2.9%
50,000	State Street Corp 3.700% Due 11/20/2023	04/02/2014	101.84	105.30	50,920	52,860	0.1%	1,850	2.7%
20,000	Citigroup Inc 4.000% Due 8/5/2024	07/29/2014	99.85	104.29	19,970	21,182	0.0%	800	3.3%

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Account: 88277CB\_RptGroup

# Detailed Holdings

As of December 31, 2017

Quantity	Description (Ticker)	Purchase Date	Unit Cost	Market Price	Purchase Cost	Market Value	Percent of Assets	Estimated Annual Income	Estimated Current Yield
40,000	Intercontinental Exchange Inc 3.750% Due 12/1/2025 Callable 9/1/2025 @ 100	11/10/2017	104.67	105.29	41,868	42,243	0.1%	1,500	3.0%
50,000	Goldman Sachs Group Inc 3.500% Due 11/16/2026 Callable 11/16/2025 @ 100	11/10/2016	99.77	100.59	49,883	50,511	0.1%	1,750	3.4%
70,000	Bank of America Corp 4.183% Due 11/25/2027 Callable 11/25/2026 @ 100	11/21/2016	100.00	104.43	70,000	73,391	0.2%	2,928	3.6%
<b>Total Financials</b>					<b>\$754,641</b>	<b>\$766,312</b>	<b>1.6%</b>	<b>\$23,167</b>	<b>2.6%</b>
<i>Health Care</i>									
15,000	UnitedHealth Group 4.700% Due 2/15/2021 Callable 11/15/2020 @ 100	12/04/2014	106.19	106.34	15,929	16,217	0.0%	705	2.4%
75,000	Medtronic Inc 4.125% Due 3/15/2021 Callable 12/15/2020 @ 100	12/02/2014	103.82	104.89	77,864	79,581	0.2%	3,094	2.4%
40,000	Gilead Sciences 4.500% Due 4/1/2021 Callable 1/1/2021 @ 100	11/13/2014	105.12	106.56	42,048	43,075	0.1%	1,800	2.2%
70,000	Express Scripts Holding Co 3.050% Due 11/30/2022 Callable 10/31/2022 @ 100	11/20/2017	99.92	99.83	69,945	70,065	0.1%	2,135	3.1%
40,000	Gilead Sciences Inc 3.650% Due 3/1/2026 Callable 12/1/2025 @ 100	09/09/2015	99.82	103.74	39,930	41,983	0.1%	1,460	3.1%
<b>Total Health Care</b>					<b>\$245,715</b>	<b>\$250,920</b>	<b>0.5%</b>	<b>\$9,194</b>	<b>2.7%</b>

Please see the Disclosures page immediately following this report for important disclosures and information

Account: 88277CB\_RptGroup

# Detailed Holdings

As of December 31, 2017

Quantity	Description (Ticker)	Purchase Date	Unit Cost	Market Price	Purchase Cost	Market Value	Percent of Assets	Estimated Annual Income	Estimated Current Yield
<i>Industrials</i>									
65,000	Cintas Corp 2.900% Due 4/1/2022	03/09/2017 Callable 3/1/2022 @ 100	99.89	100.90	64,927	66,053	0.1%	1,885	2.7%
<b>Total Industrials</b>					<b>\$64,927</b>	<b>\$66,053</b>	<b>0.1%</b>	<b>\$1,885</b>	<b>2.7%</b>
<i>Information Technology</i>									
75,000	HP Inc 2.294% Due 1/14/2019	01/09/2014	100.00	100.36	75,000	75,649	0.2%	1,720	2.0%
50,000	Apple Inc 2.100% Due 5/6/2019	04/29/2014	99.99	100.23	49,995	50,275	0.1%	1,050	1.9%
100,000	IBM Credit LLC 1.625% Due 9/6/2019	09/05/2017	99.94	99.32	99,936	99,835	0.2%	1,625	2.0%
55,000	Qualcomm Inc 2.250% Due 5/20/2020	04/25/2017	100.41	99.23	55,224	54,717	0.1%	1,238	2.6%
85,000	Western Union 3.600% Due 3/15/2022	03/08/2017 Callable 2/15/2022 @ 100	99.88	101.24	84,898	86,951	0.2%	3,060	3.3%
45,000	Qualcomm Inc 2.107% Due 1/30/2023	05/22/2017	100.41	99.84	45,185	45,093	0.1%	948	2.2%
45,000	Apple Inc 2.450% Due 8/4/2026	07/28/2016 Callable 5/4/2026 @ 100	99.98	95.84	44,989	43,580	0.1%	1,103	3.0%
<b>Total Information Technology</b>					<b>\$455,227</b>	<b>\$456,100</b>	<b>1.0%</b>	<b>\$10,743</b>	<b>2.4%</b>

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Account: 88277CB\_RptGroup

# Detailed Holdings

As of December 31, 2017

Quantity	Description (Ticker)	Purchase Date	Unit Cost	Market Price	Purchase Cost	Market Value	Percent of Assets	Estimated Annual Income	Estimated Current Yield
<i>Real Estate</i>									
45,000	Simon Property Group LP 4.125% Due 12/1/2021	04/25/2017 Callable 9/1/2021 @ 100	105.60	105.44	47,520	47,604	0.1%	1,856	2.6%
60,000	Simon Property Group LP 3.375% Due 12/1/2027	11/30/2017 Callable 9/1/2027 @ 100	99.40	100.46	59,637	60,390	0.1%	2,025	3.3%
<b>Total Real Estate</b>					<b>\$107,157</b>	<b>\$107,994</b>	<b>0.2%</b>	<b>\$3,881</b>	<b>3.0%</b>
<i>Telecommunication Services</i>									
105,000	Verizon Communications Inc 3.125% Due 3/16/2022	03/13/2017	99.56	101.39	104,542	107,417	0.2%	3,281	2.8%
25,000	AT & T Inc 4.450% Due 4/1/2024	12/02/2014 Callable 1/1/2024 @ 100	102.92	105.78	25,730	26,723	0.1%	1,113	3.4%
<b>Total Telecommunication Services</b>					<b>\$130,272</b>	<b>\$134,141</b>	<b>0.3%</b>	<b>\$4,394</b>	<b>2.9%</b>
<b>Total Corporate</b>					<b>\$2,141,867</b>	<b>\$2,175,166</b>	<b>4.6%</b>	<b>\$66,382</b>	<b>2.7%</b>
<b>High Yield Fixed Income</b>									
<i>High Yield Taxable</i>									
174,499.30	Goldman Sachs High Yield Inst.	02/01/2013	7.20	6.54	1,256,230	1,141,225	2.4%	62,635	5.5%
<b>Total High Yield Taxable</b>					<b>\$1,256,230</b>	<b>\$1,141,225</b>	<b>2.4%</b>	<b>\$62,635</b>	<b>5.5%</b>
<b>Total High Yield Fixed Income</b>					<b>\$1,256,230</b>	<b>\$1,141,225</b>	<b>2.4%</b>	<b>\$62,635</b>	<b>5.5%</b>
<b>Total Taxable Fixed Income</b>					<b>\$4,304,625</b>	<b>\$4,243,802</b>	<b>9.0%</b>	<b>\$174,367</b>	<b>3.4%</b>
<b>Total Fixed Income</b>					<b>\$4,304,625</b>	<b>\$4,243,802</b>	<b>9.0%</b>	<b>\$174,367</b>	<b>3.4%</b>

Please see the Disclosures page immediately following this report for important disclosures and information

Account: 88277CB\_RptGroup

# Detailed Holdings

As of December 31, 2017

Quantity	Description (Ticker)	Purchase Date	Unit Cost	Market Price	Purchase Cost	Market Value	Percent of Assets	Estimated Annual Income	Estimated Current Yield
<b>Equity</b>									
<b>Common Stock</b>									
<i>Consumer Discretionary</i>									
285	Amazon.com Inc (AMZN)	03/06/2017	844.59	1,169.47	240,707	333,299	0.7%	0	0.0%
8,246	BorgWarner Inc (BWA)	01/09/2014	56.53	51.09	466,109	421,288	0.9%	4,618	1.1%
7,100	CBS Corp New (CBS)	04/21/2017	67.46	59.00	478,980	418,900	0.9%	5,112	1.2%
5,116	Home Depot Inc (HD)	07/05/2013	77.34	189.53	395,666	969,635	2.1%	18,213	1.9%
6,785	TJX Companies Inc (TJX)	11/16/2012	48.91	76.46	331,855	518,781	1.1%	8,481	1.6%
3,025	Yum! Brands Inc (YUM)	02/09/2005	35.23	81.61	106,575	246,870	0.5%	3,630	1.5%
<b>Total Consumer Discretionary</b>					<b>\$2,019,893</b>	<b>\$2,908,774</b>	<b>6.2%</b>	<b>\$40,054</b>	<b>1.4%</b>
<i>Consumer Staples</i>									
2,106	Costco Wholesale Corp (COST)	09/02/2015	144.68	186.12	304,686	391,969	0.8%	4,212	1.1%
6,410	CVS Health Corp (CVS)	01/11/2013	55.38	72.50	354,983	464,725	1.0%	12,820	2.8%
5,395	Estee Lauder Companies (EL)	05/18/2012	57.31	127.24	309,202	686,460	1.5%	7,337	1.1%
3,655	Hershey Co (HSY)	01/10/2017	104.66	113.51	382,539	414,879	0.9%	9,591	2.3%
4,004	Nestle SA Sponsored ADR (NSRGY)	11/14/2012	70.48	85.99	282,205	344,315	0.7%	7,675	2.2%
4,715	PepsiCo Inc (PEP)	10/07/2010	72.10	119.92	339,951	565,423	1.2%	15,182	2.7%
<b>Total Consumer Staples</b>					<b>\$1,973,567</b>	<b>\$2,867,771</b>	<b>6.1%</b>	<b>\$56,817</b>	<b>2.0%</b>
<i>Energy</i>									
1,910	EOG Res Inc (EOG)	06/13/2014	113.55	107.91	216,872	206,108	0.4%	1,280	0.6%
5,140	Exxon Mobil Corp (XOM)	02/06/2013	88.48	83.64	454,769	429,910	0.9%	15,831	3.7%

Please see the Disclosures page immediately following this report for important disclosures and information

Account: 88277CB\_RptGroup

# Detailed Holdings

As of December 31, 2017

Quantity	Description (Ticker)	Purchase Date	Unit Cost	Market Price	Purchase Cost	Market Value	Percent of Assets	Estimated Annual Income	Estimated Current Yield
4,620	National Oilwell Varco (NOV)	05/28/2009	37.31	36.02	172,394	166,412	0.4%	924	0.6%
5,845	Royal Dutch Shell PLC ADR (RDS/A)	06/21/2016	53.60	66.71	313,308	389,920	0.8%	18,681	4.8%
2,690	Schlumberger Limited (SLB)	05/28/2009	58.84	67.39	158,281	181,279	0.4%	5,380	3.0%
<b>Total Energy</b>					<b>\$1,315,624</b>	<b>\$1,373,629</b>	<b>2.9%</b>	<b>\$42,096</b>	<b>3.1%</b>
<i>Financials</i>									
2,670	Chubb Limited (CB)	09/11/2015	101.00	146.13	269,680	390,167	0.8%	7,583	1.9%
7,055	Discover Financial Services (DFS)	11/07/2014	65.86	76.92	464,648	542,671	1.2%	9,877	1.8%
14,310	Invesco Limited (IVZ)	02/20/2015	39.45	36.54	564,473	522,887	1.1%	16,600	3.2%
10,080	JPMorgan Chase & Co. (JPM)	03/16/2011	57.38	106.94	578,394	1,077,955	2.3%	22,579	2.1%
10,140	SunTrust Banks, Inc. (STI)	07/13/2015	47.37	64.59	480,306	654,943	1.4%	16,224	2.5%
2,555	T Rowe Price Group Inc (TROW)	07/25/2014	80.02	104.93	204,458	268,096	0.6%	5,825	2.2%
3,010	Texas Capital Bancshares Inc (TCBI)	12/01/2016	74.70	88.90	224,834	267,589	0.6%	0	0.0%
10,295	U.S. Bancorp (USB)	01/06/2014	40.58	53.58	417,798	551,606	1.2%	12,354	2.2%
<b>Total Financials</b>					<b>\$3,204,590</b>	<b>\$4,275,914</b>	<b>9.1%</b>	<b>\$91,042</b>	<b>2.1%</b>
<i>Health Care</i>									
2,490	Becton Dickinson & Co (BDX)	11/21/2017	226.54	214.06	564,095	533,009	1.1%	7,271	1.4%
18,930	Boston Scientific Corp. (BSX)	09/27/2016	25.89	24.79	490,057	469,275	1.0%	0	0.0%
2,905	Celgene Corp (CELG)	10/23/2009	33.57	104.36	97,511	303,166	0.6%	0	0.0%
4,865	Danaher Corp (DHR)	08/11/2011	49.17	92.82	239,201	451,569	1.0%	2,724	0.6%
5,177	Merck & Co. Inc. (MRK)	06/28/2016	55.37	56.27	286,637	291,310	0.6%	9,733	3.3%
525	Regeneron Pharmaceuticals Inc (REGN)	09/05/2017	493.49	375.96	259,083	197,379	0.4%	0	0.0%

Please see the Disclosures page immediately following this report for important disclosures and information

Account: 88277CB\_RptGroup

# Detailed Holdings

As of December 31, 2017

Quantity	Description (Ticker)	Purchase Date	Unit Cost	Market Price	Purchase Cost	Market Value	Percent of Assets	Estimated Annual Income	Estimated Current Yield
1,125	Teleflex Inc (TFX)	10/25/2017	241.66	248.82	271,869	279,923	0.6%	1,530	0.5%
5,165	Thermo Fisher Scientific Inc (TMO)	01/06/2014	110.14	189.88	568,863	980,730	2.1%	3,099	0.3%
5,115	UnitedHealth Group Inc (UNH)	11/03/2011	52.74	220.46	269,760	1,127,653	2.4%	15,345	1.4%
<b>Total Health Care</b>					<b>\$3,047,075</b>	<b>\$4,634,014</b>	<b>9.9%</b>	<b>\$39,702</b>	<b>0.9%</b>
<i>Industrials</i>									
5,025	BWX Technologies Inc (BWXT)	05/16/2017	49.04	60.49	246,430	303,962	0.6%	2,211	0.7%
2,050	Cintas Corp. (CTAS)	02/14/2017	116.73	155.83	239,306	319,452	0.7%	3,321	1.0%
1,830	FedEx Corp. (FDX)	10/10/2017	220.85	249.54	404,164	456,658	1.0%	3,660	0.8%
4,277	Fortive Corp (FTV)	08/11/2011	40.64	72.35	173,816	309,441	0.7%	1,198	0.4%
2,790	Honeywell International Inc (HON)	10/25/2017	145.90	153.36	407,047	427,874	0.9%	8,314	1.9%
3,070	Parker Hannifin Corp. (PH)	05/15/2013	115.33	199.58	354,059	612,711	1.3%	8,105	1.3%
4,340	Union Pacific Corp. (UNP)	05/31/2011	58.49	134.10	253,831	581,994	1.2%	10,503	1.8%
2,360	United Technologies Corp. (UTX)	08/19/2013	103.51	127.57	244,273	301,065	0.6%	6,608	2.2%
<b>Total Industrials</b>					<b>\$2,322,926</b>	<b>\$3,313,157</b>	<b>7.1%</b>	<b>\$43,919</b>	<b>1.3%</b>
<i>Information Technology</i>									
2,635	Accenture PLC - Class A (ACN)	08/12/2005	33.08	153.09	87,177	403,392	0.9%	7,009	1.7%
3,140	Adobe Systems Inc (ADBE)	03/14/2017	127.36	175.24	399,902	550,254	1.2%	0	0.0%
495	Alphabet Inc (GOOGL)	01/06/2014	554.30	1,053.40	274,378	521,433	1.1%	0	0.0%
496	Alphabet Inc Cl C (GOOG)	01/06/2014	554.01	1,046.40	274,790	519,014	1.1%	0	0.0%
5,380	Analog Devices Inc (ADI)	10/20/2016	69.67	89.03	374,828	478,981	1.0%	9,684	2.0%
7,535	Apple Inc (AAPL)	04/25/2014	81.49	169.23	614,059	1,275,148	2.7%	18,988	1.5%

Please see the Disclosures page immediately following this report for important disclosures and information

Account: 88277CB\_RptGroup



# Detailed Holdings

As of December 31, 2017

Quantity	Description (Ticker)	Purchase Date	Unit Cost	Market Price	Purchase Cost	Market Value	Percent of Assets	Estimated Annual Income	Estimated Current Yield
12,330	Cisco Systems Inc (CSCO)	01/22/2016	23.19	38.30	285,911	472,239	1.0%	14,303	3.0%
5,240	eBay Inc (EBAY)	02/06/2013	22.35	37.74	117,129	197,758	0.4%	0	0.0%
1,760	Facebook Inc Cl A (FB)	02/03/2017	131.54	176.46	231,502	310,570	0.7%	0	0.0%
3,220	Intuit Inc (INTU)	07/17/2015	107.40	157.78	345,818	508,052	1.1%	5,023	1.0%
3,635	Microsoft Corp (MSFT)	10/20/2016	57.23	85.54	208,031	310,938	0.7%	6,107	2.0%
7,780	PayPal Holdings (PYPL)	02/06/2013	34.59	73.62	269,146	572,764	1.2%	0	0.0%
2,820	Salesforce.com (CRM)	08/15/2017	90.89	102.23	256,302	288,289	0.6%	0	0.0%
7,195	Visa Inc (V)	06/13/2013	47.41	114.02	341,130	820,374	1.7%	5,612	0.7%
<b>Total Information Technology</b>					<b>\$4,080,102</b>	<b>\$7,229,204</b>	<b>15.4%</b>	<b>\$66,726</b>	<b>0.9%</b>
<i>Materials</i>									
5,256.20	DowDuPont Inc (DWDP)	01/20/2012	44.41	71.22	233,403	374,347	0.8%	9,671	2.6%
3,060	Eastman Chemical Co (EMN)	11/21/2017	91.05	92.64	278,612	283,478	0.6%	6,242	2.2%
<b>Total Materials</b>					<b>\$512,015</b>	<b>\$657,825</b>	<b>1.4%</b>	<b>\$15,914</b>	<b>2.4%</b>
<i>Real Estate</i>									
4,430	Crown Castle Intl Corp (CCI)	09/25/2007	44.27	111.01	196,100	491,774	1.0%	18,606	3.8%
3,870	Prologis (PLD)	08/02/2016	54.06	64.51	209,196	249,654	0.5%	6,811	2.7%
<b>Total Real Estate</b>					<b>\$405,296</b>	<b>\$741,428</b>	<b>1.6%</b>	<b>\$25,417</b>	<b>3.4%</b>
<i>Utilities</i>									
3,960	American Water Works Co Inc (AWK)	11/14/2012	38.88	91.49	153,977	362,300	0.8%	6,574	1.8%
<b>Total Utilities</b>					<b>\$153,977</b>	<b>\$362,300</b>	<b>0.8%</b>	<b>\$6,574</b>	<b>1.8%</b>
<b>Total Common Stock</b>					<b>\$19,035,065</b>	<b>\$28,364,016</b>	<b>60.4%</b>	<b>\$428,261</b>	<b>1.5%</b>

Please see the Disclosures page immediately following this report for important disclosures and information

Account: 88277CB\_RptGroup

# Detailed Holdings

As of December 31, 2017

Quantity	Description (Ticker)	Purchase Date	Unit Cost	Market Price	Purchase Cost	Market Value	Percent of Assets	Estimated Annual Income	Estimated Current Yield
<b>Equity Funds - Domestic</b>									
<i>Small Capitalization</i>									
137,188.78	Conestoga Small Cap (CCASX)	05/27/2014	34.45	48.95	4,725,888	6,715,391	14.3%	0	0.0%
<b>Total Small Capitalization</b>					<b>\$4,725,888</b>	<b>\$6,715,391</b>	<b>14.3%</b>	<b>\$0</b>	<b>0.0%</b>
<b>Total Equity Funds - Domestic</b>					<b>\$4,725,888</b>	<b>\$6,715,391</b>	<b>14.3%</b>	<b>\$0</b>	<b>0.0%</b>
<b>Equity Funds - Foreign</b>									
<i>International - Developed Markets</i>									
71,706.43	Harbor Fund-International (HAINX)	07/01/2011	68.68	67.52	4,924,976	4,841,618	10.3%	83,397	1.7%
<b>Total International - Developed Markets</b>					<b>\$4,924,976</b>	<b>\$4,841,618</b>	<b>10.3%</b>	<b>\$83,397</b>	<b>1.7%</b>
<b>Total Equity Funds - Foreign</b>					<b>\$4,924,976</b>	<b>\$4,841,618</b>	<b>10.3%</b>	<b>\$83,397</b>	<b>1.7%</b>
<b>Total Equity</b>					<b>\$28,685,929</b>	<b>\$39,921,025</b>	<b>85.0%</b>	<b>\$511,657</b>	<b>1.3%</b>
<b>Alternative</b>									
<b>Hedge Funds &amp; Mutual Funds</b>									
<i>Fund of Funds</i>									
72,262.94	PIMCO All Asset Fund Institutional Clas	05/08/2013	12.68	12.15	916,329	877,995	1.9%	38,439	4.4%
<b>Total Fund of Funds</b>					<b>\$916,329</b>	<b>\$877,995</b>	<b>1.9%</b>	<b>\$38,439</b>	<b>4.4%</b>
<b>Total Hedge Funds &amp; Mutual Funds</b>					<b>\$916,329</b>	<b>\$877,995</b>	<b>1.9%</b>	<b>\$38,439</b>	<b>4.4%</b>
<b>MLP Funds &amp; General Partnerships</b>									
<i>Fund</i>									
121,689.98	SteelPath MLP Select 40 Fund	02/07/2013	11.04	8.70	1,343,900	1,058,703	2.3%	85,864	8.1%
<b>Total Fund</b>					<b>\$1,343,900</b>	<b>\$1,058,703</b>	<b>2.3%</b>	<b>\$85,864</b>	<b>8.1%</b>

Please see the Disclosures page immediately following this report for important disclosures and information

Account: 88277CB\_RptGroup

# Detailed Holdings

As of December 31, 2017

Quantity	Description (Ticker)	Purchase Date	Unit Cost	Market Price	Purchase Cost	Market Value	Percent of Assets	Estimated Annual Income	Estimated Current Yield
	Total MLP Funds & General Partnerships				\$1,343,900	\$1,058,703	2.3%	\$85,864	8.1%
	Total Alternative				\$2,260,229	\$1,936,698	4.1%	\$124,303	6.4%
	<b>TOTAL PORTFOLIO</b>				<b>\$36,137,375</b>	<b>\$46,988,117</b>	<b>100.0%</b>	<b>\$818,218</b>	<b>1.7%</b>

Please see the Disclosures page immediately following this report for important disclosures and information

Account: 88277CB\_RptGroup

# Detailed Holdings

As of December 31, 2017

## Disclosures

Annual income and yield for equity securities are estimated.

Yield for fixed income securities is yield nearest to call.

Annual Income and yield for Cash and Cash Equivalents are calculated using the average yield of all Prime Money Funds as published by Barron's ([www.barrons.com](http://www.barrons.com)), which 1919ic believes is generally representative of retail money market fund yields. Actual client Cash and Cash Equivalent yields and income will vary depending on the client's custodian and the investment vehicle used for Cash and Cash Equivalent balances.

Unit cost is average cost.

Purchase Date is the earliest trade date among all currently held lots.

Cost information which is unavailable is shown as "Unknown" in the Purchase Date and Purchase Cost fields.

1919 Investment Counsel (1919IC) does not provide advisory services or charge fees for unmanaged assets and does not include such assets in reported account performance. 1919IC will sell such an asset only if the client directs or authorizes the sale.

Sale proceeds of, and any income from, unmanaged assets will become subject to 1919IC management and fees unless 1919IC and the client specifically agree otherwise.

# Transaction Summary

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## Purchases

FedEx

FedEx is a leader in the delivery service industry through its various Express, Ground, and Freight channels. FedEx has a large portion of the US and global express market. Its recent acquisition of TNT has provided FedEx an opportunity to expand its international presence.

Becton Dickinson

Becton Dickinson is a leading medical device company. It offers many lower cost products. Its recent merger with C.R. Bard is expected to add to its current product offering and provide additional growth opportunities.

Honeywell  
International

Honeywell International is a leading industrial company in the aerospace, home and building technologies, performance materials and technologies, and safety and productivity solutions segments. Its current initiative to provide additional analytics to its segments is expected to provide better growth prospects.

# Transaction Summary

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## Purchases

Teleflex  
Incorporated

Teleflex Incorporated is a leading specialty medical technology company focused on surgical devices, vascular, anesthesia and closure devices. Its recent acquisition of NeoTract is expected to allow it growth opportunities into additional markets.

Eastman Chemical  
Company

Eastman Chemical focuses on additives, advanced materials, chemicals, and fibers. Eastman Chemical Company is transitioning from a commodity chemical company to a specialty chemical company. This transition is expected to provide the company additional growth opportunities.

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# Transaction Summary

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## Sales

HD Supply	HD Supply was sold to fund the purchase of FedEx. FedEx offered more global exposure relative to the domestic focus of HD Supply given the improving global growth outlook.
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O'Reilly Automotive	O'Reilly Automotive was sold due to concerns over margins and industry weakness.
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C.R. Bard	C.R. Bard was sold to fund a position in Becton Dickinson.
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Quanta Services	Quanta Services was sold due to concerns over additional larger project bookings and to fund the purchase of Honeywell International and Teleflex Incorporated.
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Simon Property Group	Simon Property Group was sold to reduce the REIT sector weighting and to fund a position in Eastman Chemical.
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Diocesan Investment Trust  
Purchases and Sales  
From October 1 through December 31, 2017

Date	Quantity	Security	Total Cost	Total Proceeds	Gains/Losses
<i>Purchases</i>					
10/6/2017	780.682	SteelPath MLP Select 40 Fund	7,010.52		
10/10/2017	1,830	FedEx Corp.	404,164.28		
10/25/2017	2,790	Honeywell International Inc	407,047.33		
10/25/2017	1,125	Teleflex Inc	271,868.74		
10/31/2017	732.511	Goldman Sachs High Yield Inst.	4,834.57		
11/3/2017	819.561	SteelPath MLP Select 40 Fund	7,056.42		
11/10/2017	40,000	Intercontinental Exchange Inc 3.750% Due 12-01-25	41,896.80		
11/20/2017	35,000	Express Scripts Holding Co 3.050% Due 11-30-22	34,927.55		
11/20/2017	35,000	Express Scripts Holding Co 3.050% Due 11-30-22	35,016.10		
11/21/2017	2,490	Becton Dickinson & Co	564,094.56		
11/21/2017	3,060	Eastman Chemical Co	278,612.08		
11/28/2017	863.26	SteelPath MLP Select 40 Fund	7,104.61		
11/30/2017	29,000	Simon Property Group LP 3.375% Due 12-01-27	28,878.49		
11/30/2017	31,000	Simon Property Group LP 3.375% Due 12-01-27	30,756.34		
12/1/2017	742.95	Goldman Sachs High Yield Inst.	4,873.75		
12/6/2017	7420.01	Conestoga Small Cap	357,941.20		
12/18/2017	1246.397	Harbor Fund-International	83,658.15		
12/18/2017	3012.278	Harbor Fund-International	202,184.09		
12/28/2017	1497.126	PIMCO All Asset Fund Institutional Clas	18,130.20		
12/29/2017	770.59	Goldman Sachs High Yield Inst.	5,039.66		
<b>Total:</b>			2,795,095.44		



Date	Quantity	Security	Total Cost	Total Proceeds	Gains/Losses
<b>Sales</b>					
10/10/2017	6,160	HD Supply Holdings Inc	199,045.61	218,130.41	19,084.80
10/10/2017	1,658	HD Supply Holdings Inc	63,604.53	58,711.07	(4,893.46)
10/10/2017	2,357	HD Supply Holdings Inc	90,383.88	83,463.21	(6,920.67)
10/19/2017	770	O'Reilly Automotive	203,358.47	160,978.02	(42,380.45)
10/23/2017	50,000	Cisco Systems Inc 2.125% Due 03-01-19	49,990.05	50,303.00	312.95
10/25/2017	4,700	Quanta Services	116,795.00	176,174.49	59,379.49
10/25/2017	247	Quanta Services	7,359.36	9,258.53	1,899.16
10/25/2017	141	Quanta Services	4,201.09	5,316.28	1,115.18
10/26/2017	12	Quanta Services	357.54	454.37	96.83
10/26/2017	550	Quanta Services	17,120.95	20,825.27	3,704.32
10/26/2017	442	Quanta Services	16,380.25	16,735.94	355.69
10/26/2017	3,723	Quanta Services	137,972.15	140,426.08	2,453.93
10/26/2017	4,330	Quanta Services	126,338.58	163,321.22	36,982.64
11/21/2017	55,000	Citigroup Inc 2.581% Due 08-02-21	55,000.00	56,030.26	1,030.26
11/21/2017	45,000	Goldman Sachs Group Inc 2.863% Due 11-15-21	45,000.00	45,586.84	586.84
11/21/2017	1,595	C. R. Bard	279,601.11	536,255.96	256,654.85
11/21/2017	2,303	Simon Property Group Inc	422,968.98	365,460.84	(57,508.14)
12/1/2017	50,000	Simon Property Group LP 4.125% Due 12-01-21	52,855.19	52,924.50	69.31
12/6/2017	40,000	Shell International Finance BV 1.923% Due 09-12-19	40,000.00	40,204.40	204.40
12/14/2017	55,000	Statoil ASA 5.250% Due 04-15-19	57,567.05	57,244.55	(322.50)
<b>Totals:</b>			1,985,899.79	2,257,805.24	202,652.49

# Socially Responsive Guidelines

Diocesan Investment Trust

## Consumer Products

- Avoid companies that derive more than 10% of revenue from the production of tobacco products.
- Avoid companies that derive more than 10% of revenue from the ownership or management of gambling facilities.
- Avoid companies involved in the provision or production of adult entertainment or excessively violent media.

## Citizenship and Human Rights Issues

- Seek companies that protect and promote human rights.
- Avoid companies that are the subject of notable human rights controversies.
- Avoid companies that are significantly invested in countries with repressive and brutal government regimes.
- Seek banks with CRA Rating in top two tiers. (Outstanding (O) or Satisfactory (S)).
- Seek companies that support access to education.

## Environment

- Avoid companies with poor environmental policies, procedures and practices.
- Seek companies that address the planet's environmental challenges.

## Military

- Avoid companies involved in the production of military weaponry.

## LGBT Awareness

- Avoid companies with evidence of discrimination against individuals based on sexual orientation or gender identity.
- Seek companies with policies and practices that reflect respect for the employee and human rights of gay, lesbian, bisexual and/or transgender employees and customers.

## Workplace Discrimination

- Avoid companies with evidence of discrimination against individuals based on gender, race or ethnicity.
- Seek companies that demonstrate a diverse workforce and gender equality.

# Socially Responsive Review

## Portfolio Holdings as of December 31, 2017

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SECURITY NAME	TOBACCO PRODUCTION	GAMBLING	CONTROVERSIAL MEDIA	PORNOGRAPHY	CITIZENSHIP & HUMAN RIGHTS EVALUATION	OPPRESSIVE REGIMES EVALUATION	CRA RATING	ENVIRONMENT EVALUATION	MILITARISM	LGBT AWARENESS	DISCRIMINATION PROBLEMS
<b>Accenture</b>	No	No	No	No	Pass	Caution	NA	Pass	No	Pass	No
<p>● <i>Oppressive Regimes</i>: Accenture has ties to one or more countries where the state of political rights and civil liberties raise significant concerns (Saudi Arabia).</p> <p>+ Accenture has set a goal to grow the percentage of women new hires to at least 40 percent by the end of 2017. In 2015, women accounted for approximately 38 percent of new hires and 38 percent of its global workforce. Accenture's commitment to gender equality also extends to pay. The company works to ensure that its people – men and women - are compensated fairly and equitably throughout their careers and the company maintains rigorous processes to identify potential pay discrepancies and take steps to address them. Accenture is one of 28 companies that signed a White House pledge to conduct an annual gender pay analysis aimed at eliminating inequitable compensation.</p> <p>+ LGBT: Accenture is committed to supporting its LGBT employees and providing a workplace of equality. In 2015, four of the company's executives were recognized by OUTstanding and the <i>Financial Times</i> as leading LGBT and Ally Executives in business and their communities. Also in 2015, Accenture joined 11 other companies as a founding member of the Human Rights Campaign's (HRC) global coalition to advance LGBT workplace equality around the world.</p>											
<b>Adobe Systems Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No
<p>+ Adobe is emerging as a leader in the technology sector in terms of clean energy advocacy. The company demonstrated its commitment to addressing climate change when it signed the White House American Business Act on Climate Change and the Climate Group's Renewable Energy 100 initiative. Adobe has set a long-term goal of powering its operations and the digital delivery of its products with 100% renewable electricity by 2035.</p>											
<b>Alphabet Inc. (Google)</b>	No	No	Caution	Caution	Pass	Pass	NA	Pass	No	Pass	No
<p>● <i>Controversial Media and Pornography Retail</i>: Alphabet sells apps for its Android operating system through the Google Play Store. The company's Google Play Developer Program Policies list guidelines to which application creators must adhere, including a prohibition of sexually explicit material. Alphabet does not review or monitor the apps. In general, the company relies on users to report inappropriate content or policy violations, which is often subject to user discretion.</p>											

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<b>Amazon.com Inc.</b>	No	Caution	Caution	Caution	Pass	Pass	NA	Pass	No	Pass	Caution
<ul style="list-style-type: none"> <li>● <i>Gambling Involvement:</i> Amazon sells gambling products such as poker sets, related software and guidebooks. There are no revenue numbers available.</li> <li>● <i>Controversial Media and Pornography Retail:</i> Amazon sells adult oriented items. Research did not reveal percentage of revenues, but sales are estimated to be below 5%.</li> <li>● <i>Workplace:</i> A website called The Former And Current Employees (FACE) of Amazon encourages company employees to leave anonymous reviews regarding the workplace environment. Over 100 employees have posted reviews in which they described a difficult work environment. The website was founded after a New York Times investigation revealed a difficult workplace.</li> </ul>											
<b>American Water Works Co. Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Caution	No
<ul style="list-style-type: none"> <li>● <i>LGBT Awareness:</i> Corporate policies include reference to sexual orientation and/or gender identity. There are no indications of any significant problems related to LGBT discrimination.</li> <li>+ Most of the energy used for treating wastewater occurs during aeration, when nitrogen and phosphorous are removed. American Water is researching an energy efficient wastewater treatment technology called NPXpress, which uses 50% less oxygen (and therefore less energy) for aeration, and fewer chemicals. It is also more effective at reducing nitrogen and phosphorous emissions from the operations, as well as nitrous oxide (N2O) emissions. American Water is piloting the technology at eight water systems.</li> </ul>											
<b>Analog Devices Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	Caution	Caution	No
<ul style="list-style-type: none"> <li>● <i>Militarism:</i> Analog Devices provides digital signal technologies that can be used in missiles and precision munitions, military radar, soldier systems, and in unmanned aerial vehicles and other military aircraft. It is estimated that defense-related sales of these products account for less than 5% of the company's total revenues.</li> <li>● <i>LGBT Awareness:</i> Corporate policies include reference to sexual orientation and/or gender identity. There are no indications of any significant problems related to LGBT discrimination.</li> </ul>											

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Apple Inc.	No	No	No	No	Caution	Pass	NA	Pass	No	Pass	No
<p>● <i>Citizenship &amp; Human Rights and Child Labor:</i> Apple continues to face numerous allegations of poor labor conditions in its supply chain. While the company continuously commits to investigate and take corrective actions, similar violations continue to occur. Apple has implemented certain progressive measures relative to its peers. However, despite the company's social supply chain standards and auditing system, scrutiny continues to draw focus to the challenge of effective and comprehensive implementation to ensure prevention of recurrent supply chain labor rights violations incidents. Apple is one company, among others, that has been found to use cobalt in its products which is sourced through multiple tiers of suppliers from the Democratic Republic of Congo (DRC), including from artisanal mines linked to unsafe working conditions and cases of child labor. The company has acknowledged these claims and is working with its cobalt supplier to address the underlying issues. Apple has joined the Responsible Cobalt Initiative and has added cobalt to its conflict minerals program. The company has completed its supply chain mapping for cobalt and has published a list of its cobalt suppliers. All cobalt suppliers are required to participate in third-party audits.</p>											
Becton Dickinson & Co.	No	No	No	No	Caution	Pass	NA	Pass	No	Pass	No
<p>***December 29, 2017, Becton Dickinson &amp; Co. finalized its acquisition of C.R. Bard. Results shown reflect Becton Dickinson, and includes research of C.R. Bard, where feasible.</p> <p>● <i>Citizenship:</i> Under its brand BD Simplist, Becton Dickinson produces and supplies pre-filled syringes of Midazolam. This drug is a controlled substance that is known for being used as part of the mix of drugs used in lethal injections of people who receive the death penalty. Although a company statement says it does not provide Midazolam to prisons, it has been criticized for its involvement.</p>											

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<b>BorgWarner Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Caution	No
<p>● <i>LGBT Awareness:</i> Corporate policies and practices meet some but not all criteria used in the Corporate Equality Index assessing commitments to LGBT employees.</p> <p>+ BorgWarner's offerings include a number of products that can boost fuel efficiency and reduce emissions, as well as products and technologies used in electric and hybrid vehicles. However, there is little disclosure on the technical aspects and achievable fuel savings, as well as on revenue derived from these business lines.</p> <p>+ BorgWarner's plants and facilities around the world are encouraged to be active and engage with their surrounding communities. For example, when hurricanes struck near the Ramos, Mexico plant employees delivered water, food, clothes, and other essentials to those affected by the storms. In Itatiba City, Brazil where a new BorgWarner campus is being constructed the company has partnered with Instituto Aryton Senna, to help more than 500 children with learning disabilities by providing uniforms, tuition, and education materials.</p>											
<b>Boston Scientific Corp.</b>	No	No	No	No	Caution	Pass	NA	Pass	No	Pass	No
<p>● <i>Citizenship &amp; Human Rights:</i> Boston Scientific has been the subject of a widespread controversy regarding pelvic mesh products. The company currently faces numerous lawsuits over its defective products that cause many plaintiff women bleeding, severe pelvic pain, organ perforation, and other problems. Boston Scientific faces accusations of the following: failure to adequately test its products before putting them on the market; use of counterfeit 'resin' products illegally acquired from China after it lost its U.S. supplier.</p>											

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<b>BWX Technologies Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	Fail	Caution	No
<p>- <i>Military</i>: BWX Technologies Inc manufactures naval nuclear reactor components for the Ohio class nuclear-powered ballistic missile submarines. Further, BWX Technologies Inc is one of the companies which operates the Los Alamos National Laboratory for the Department of Energy. The facility produces plutonium pits, which make up the core of implosion-designed nuclear weapons, and is involved in the design, testing and maintenance of nuclear weapons. BWX Technologies Inc's nuclear operations segment, which produces nuclear components for civilian and military reactors, accounts for approximately 80% of its revenue. Based on the company's description of its activities, the military makes up a significant market for the company. As a result, it is likely that at least 10% of the company's revenue is derived from nuclear weapons involvement.</p> <p>● <i>LGBT Awareness</i>: Corporate policies include reference to sexual orientation and/or gender identity. There are no indications of any significant problems related to LGBT discrimination.</p>											
<b>CBS Corp.</b>	No	No	Caution	Caution	Pass	Pass	NA	Pass	No	Pass	No
<p>● <i>Controversial Media and Pornography Retail</i>: CBS Corporation engages in the distribution of adult programming and adult movies through its fully owned subsidiary Showtime Networks Inc. The company does not disclose the percentage of revenues derived from adult programming, however given the variety of channels and TV packages offered, it is estimated to account for less than 5% of total revenues in FY 2016.</p>											
<b>Celgene Corp.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Caution	No
<p>● <i>LGBT Awareness</i>: Corporate policies and practices meet some but not all criteria used in the Corporate Equality Index assessing commitments to LGBT employees.</p> <p>+ Celgene Patient Support is a free US-based service that helps to ensure patients have access to Celgene medications. This service provides dedicated patient support specialists who work with patients and health care providers to determine patient benefits and co-pay assistance. Patients that are uninsured or underinsured may qualify for the Celgene Free Medication Program.</p>											
<b>Chubb Ltd.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No

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<b>Cintas Corp.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Caution	Pass
<ul style="list-style-type: none"> <li>● <i>LGBT Awareness:</i> Corporate policies and practices meet some but not all criteria used in the Corporate Equality Index assessing commitments to LGBT employees.</li> </ul>											
<b>Cisco Systems Inc.</b>	No	No	No	No	Caution	Pass	NA	Pass	No	Pass	No
<ul style="list-style-type: none"> <li>● <i>Citizenship &amp; Human Rights:</i> Cisco continues to face scrutiny over its role in the creation of China's censorship and surveillance system, known as the Golden Shield, which has been used to persecute members of the Falun Gong religious minority. Cisco has denied accusations that it knew its technology would be used to enable oppression and maintains that it did not customize its products for the Chinese government.</li> </ul>											
<b>Costco Wholesale Corp.</b>	No	No	No	No	Caution	Pass	NA	Pass	No	Caution	No
<ul style="list-style-type: none"> <li>● <i>Citizenship &amp; Human Rights:</i> Costco, along with other retailers, has been accused of purchasing shrimp farmed by operators that have fishing boats manned by slaves. The company is part of the Shrimp Sustainable Supply Chain Task Force which brings together manufacturer, retailers, governments and civil society organizations to conduct independent audits on Asian fishing vessels. The goal is to ensure seafood supply chains are free from illegal and forced labor.</li> <li>● <i>LGBT Awareness:</i> Corporate policies and practices meet some but not all criteria used in the Corporate Equality Index assessing commitments to LGBT employees.</li> </ul>											
<b>Crown Castle International Corp.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Caution	No
<ul style="list-style-type: none"> <li>● <i>LGBT Awareness:</i> Corporate policies and practices meet some but not all criteria used in the Corporate Equality Index assessing commitments to LGBT employees.</li> </ul>											
<b>CVS Health Corp.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No
<ul style="list-style-type: none"> <li>+ CVS no longer sells tobacco products. CVS is the first major pharmacy chain to halt tobacco sales nationwide.</li> </ul>											



# Socially Responsive Review

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<b>Danaher Corp.</b>	No	No	No	No	Pass	Caution	NA	Pass	No	Pass	No
<p>● <i>Oppressive Regimes:</i> Danaher has ties to one or more countries where the state of political rights and civil liberties raise significant concerns (Russia, United Arab Emirates, Vietnam).</p>											
<b>Discover Financial Services</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No
<b>DowDuPont Inc.</b>	No	No	No	No	Caution	Caution	NA	Fail	Caution	Pass	No
<p>***August 31, 2017, Dow Chemical and El du Pont de Nemours and Company finalized a merger of the two companies to form DowDuPont.</p> <p>● <i>Oppressive Regimes:</i> DowDuPont has ties to one or more countries where the state of political rights and civil liberties raise significant concerns (Angola, Bahrain, Ethiopia, Kazakhstan, Russia, Saudi Arabia, United Arab Emirates, Vietnam).</p> <p>- <i>Environment:</i> The Du Pont business has faced several serious controversies concerning its operations' environmental impact. Although the company sold off its performance chemicals segment in July 2015 (forming Chemours), Du Pont was found responsible for three cases of cancer, allegedly caused by exposure to the chemical C8. The company also still faces litigation against its avoidance of cleaning up environmental waste from the company's zinc smelter plant in West Virginia. One lawsuit, brought against Du Pont in December 2016, is still ongoing, and could result in over \$1 billion.</p> <p>● <i>Environment and Citizenship:</i> Through its subsidiary Dow AgroSciences, DowDuPont produces and develops pesticides including herbicides, insecticides, fungicides, and other plant and animal pest control products. Many environmental groups oppose the use of chemically-structured pesticides, citing their harmful effects on the environment and food supply chains. Additionally, many activist organizations for workers' rights and safety believe pesticides pose dangerous risks to the workers—primarily in the agricultural sector—who are exposed to the chemicals and may suffer health complications as a result.</p> <p>● <i>Militarism:</i> DowDuPont's wholly-owned subsidiary El du Pont de Nemours &amp; Co. offers certain products for the defense industry, with a specific focus on protective fabrics and fibers. The company offers Kevlar for vehicular armor, body armor, helmets, and gloves, as well as other fabrics to protect against chemical and biological warfare threats. The company states that its armor fabrics are used on a variety of platforms, including the M113, the Bradley Fighting Vehicles, and the Stryker, as well as on a number of civilian vehicles, such as those belonging to law enforcement agencies or cash security companies. Revenues from defense activities are not disclosed, but are estimated to fall below 5% of total revenue.</p>											

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<b>Eastman Chemical Co.</b>	Fail	No	No	No	Pass	Pass	NA	Pass	No	Pass	No
<ul style="list-style-type: none"> <li>● <i>Tobacco:</i> Eastman Chemical's Fibers segment produces acetate tow. Acetate tow is used to produce cigarette filters and ink reservoirs for fiber-tip pens. The company reports that approximately 11% of 2016 revenue by end-use market came from the Tobacco market.</li> </ul>											
<b>eBay Inc.</b>	No	No	Caution	Caution	Pass	Pass	NA	Pass	No	Pass	No
<ul style="list-style-type: none"> <li>● <i>Controversial Media &amp; Pornography:</i> eBay sells adult entertainment through a separate "adults only" website.</li> </ul>											
<b>EOG Resources Inc.</b>	No	No	No	No	Caution	Pass	NA	Caution	No	Caution	No
<ul style="list-style-type: none"> <li>● <i>Citizenship &amp; Human Rights:</i> EOG Resources has operations in Argentina where Indigenous Peoples have opposed resource extraction. Further, the company scored low on the 2017 Corporate Human Rights Benchmark, scoring zeroes in the categories for Policy Commitment and Human Rights Practices.</li> <li>● <i>Environment:</i> As an oil and gas company, EOG Resources faces significant risks related to negative environmental impacts. The company has a basic environmental policy and a management system that does not meet best practices. The company reports little information regarding its goals or performance with respect to greenhouse gas emissions, hazardous waste, or water effluents.</li> <li>● <i>LGBT Awareness:</i> Corporate policies and practices meet some but not all criteria used in the Corporate Equality Index assessing commitments to LGBT employees.</li> </ul>											
<b>Estee Lauder Companies</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No

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<b>Exxon Mobil Corp.</b>	No	No	No	No	Fail	Caution	NA	Fail	No	Pass	No
<p> <b>- Citizenship &amp; Human Rights:</b> ExxonMobil has been involved in a series of controversies in recent years. Most notably, the company faces a lawsuit for complicity in gross human rights abuses in Aceh, Indonesia where security forces employed by the company allegedly kidnapped, tortured, raped, and murdered numerous members of local communities during a conflict from 1999-2001. Construction of a LNG pipeline in Papua New Guinea has been frequently shut down due to conflict with local landowners as well as tribal conflicts which the pipeline project has been accused of reigniting. These issues left the project behind schedule and 20% over budget. Despite lengthy production delays and cost overruns on the PNG LNG project, delivery of the first shipments is scheduled for 2014.                 </p> <p> <b>● Oppressive Regimes:</b> Exxon Mobil has ties to one or more countries where the state of political rights and civil liberties raise significant concerns (Equatorial Guinea, Saudi Arabia).                 </p> <p> <b>- Environment:</b> Exxon has been responsible for a range of environmental controversies across its operations. The company faces numerous environmental lawsuits related to spills and contamination incidents over recent years. Although Exxon has reached some settlements on major cases and has reasonably strong programs and environmental management systems, significant environmental issues have continued to arise, in part due to the size of the company, but also due to insufficient enforcement. It remains to be seen whether Exxon can take the necessary steps to ensure that its operations reflect the standards it claims to uphold. The company has a large, and in some cases aging infrastructure, and improved inspection and maintenance will be required to prevent further environmental incidents.                 </p> <p>                     For some years past, Exxon had a reputation as a company unwilling to acknowledge the generally accepted scientific position regarding climate change as well as any policy that might be proposed as mitigation or a resolution for climate change. Recently, the company has been seen to soften its position. On its website, the company encouraged policymakers to focus on reducing emissions while considering costs to society, and the importance of reliable and affordable energy to improving living standards.                 </p>											
<b>Facebook Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No
<b>FedEx Corp.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No

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<b>Fortive Corp.</b>	No	No	No	No	Caution	Pass	NA	Caution	Caution	Pass	Caution
<ul style="list-style-type: none"> <li>● <i>Environment, Workplace, and Citizenship &amp; Human Rights:</i> Fortive Corp. has been incorporated since July 2016. As of yet, the company has not published information regarding environmental or social impacts.</li> <li>● <i>Military:</i> A Fortive Corp subsidiary, Pacific Scientific Energetic Materials Company, produces a variety of pyrotechnic electro-mechanical, electronic and laser devices that are used in space, oil and gas, aircraft, law enforcement, and missile and munitions industries. The company also provides test and support services for military aircraft, emergency escape systems, and countermeasures initiations systems. Another subsidiary, Tektronix Inc, provides systems for the military which are used to test radars and communications. Specific financial information regarding military products is not available. Estimates suggest revenue related to weapons and that related to weapon support systems is less than 5% of overall revenue in both cases.</li> </ul>											
<b>Hershey Co.</b>	No	No	No	No	Fail	Pass	NA	Pass	No	Pass	No
<ul style="list-style-type: none"> <li>- <i>Citizenship &amp; Human Rights:</i> For over 15 years, the chocolate industry has faced issues of child labor in its supply chain. Big chocolate companies have pledged to end child labor, but as of the latest estimate in 2016, 2.1 million West African children are still working in dangerous jobs harvesting cocoa. Stories about boys and girls who are victims of human trafficking and abuse describe how thousands of children are used as free labor by their own families, who live in abject poverty. Best practices of Fair Trade chocolate companies such as Equal Exchange and Divine Chocolate guarantee their farmers a living wage and their products are 100% certified free of child labor. Most large companies fall well below that; Hershey is currently 50% certified free of child labor and has goals to reach 100% by 2020.</li> </ul>											

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Home Depot Inc.	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	Caution
<p>● <i>Discrimination:</i> While the company's workplace problems have improved, Home Depot continues to be involved in several lawsuits concerning discrimination of employees. The nature of these issues contradicts the company's anti-discrimination policy that addresses race, religion gender and sexual orientation. While discrimination issues are common within the retailing industry, the company's failure to uphold its anti-discrimination policy constitutes a concern.</p> <p>+ Home Depot has set greenhouse gas emissions-related reduction goals for its store operations and its supply chain. Home Depot surpassed its 20% store energy reduction target from 2008 to 2015, and in 2015 set a new target of an additional 20% reduction against a 2008 baseline. The company's use of renewable energy sources was limited in 2015 when the company announced a 2020 target to produce 100MW annually from wind and solar sources, as well as 35MW from natural gas fuel cells. This target will be met via a combination of owned and leased infrastructure, both offsite and on Home Depot property.</p>											
Honeywell International Inc.	No	No	No	No	Pass	Caution	NA	Pass	Fail	Caution	No
<p>● <i>Oppressive Regimes:</i> Honeywell has ties to one or more countries where the state of political rights and civil liberties raise significant concerns (Angola, Kazakhstan, Russia, Saudi Arabia, United Arab Emirates, Vietnam).</p> <p>- <i>Military:</i> Honeywell produces components for nuclear weapons that are essential for the use of the weapon or weapon system, and therefore are considered tailor-made. Among these items are guidance systems for missiles and other munitions. Additionally, the company provides engines, auxiliary power units, electrical power systems, combat helicopters and tanks for the U.S. and foreign militaries. In 2016, between 5-10% of the company's revenues resulted from defense related products and contracts.</p> <p>● <i>LGBT Awareness:</i> Corporate policies and practices meet some but not all criteria used in the Corporate Equality Index assessing commitments to LGBTQ employees.</p>											

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## Portfolio Holdings as of December 31, 2017

Diocesan Investment Trust

SECURITY NAME	TOBACCO PRODUCTION	GAMBLING	CONTROVERSIAL MEDIA	PORNOGRAPHY	CITIZENSHIP & HUMAN RIGHTS EVALUATION	OPPRESSIVE REGIMES EVALUATION	CRA RATING	ENVIRONMENT EVALUATION	MILITARISM	LGBT AWARENESS	DISCRIMINATION PROBLEMS
<b>Intuit Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No
<p>+ Intuit is considered very friendly and respectful to the LGBTQ community. It was among 378 other companies that urged the Supreme Court to support same-sex marriage before the July ruling. Additionally, in 2017, it received a 100% score on the HRC Corporate Equality.</p>											
<b>Invesco Ltd.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Caution	No
<p>● <i>LGBT Awareness:</i> Corporate policies and practices meet some but not all criteria used in the Corporate Equality Index assessing commitments to LGBT employees.</p>											
<b>JPMorgan Chase &amp; Co.</b>	No	No	No	No	Caution	Pass	O	Caution	No	Pass	No
<p>● <i>Environment and Citizenship &amp; Human Rights:</i> JPMorgan Chase &amp; Co. has contributed financing to the three companies behind the Dakota Access Pipeline, Energy Transfer Partners, Energy Transfer Equity and Sunoco Logistics. The Dakota Access pipeline received significant scrutiny from more than 90 Native American tribes and environmental organizations claiming that construction began without meaningful consultation. The company did not provide any project-level loans.</p>											
<b>Merck &amp; Co. Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	Caution
<p>● <i>Workplace:</i> The company currently faces a class-action lawsuit brought by over 400 current and former employees, alleging that the company discriminated against women in hiring, pay, and other aspects of the job. The suit also claims that Merck pressured pregnant women to quit their jobs. Originally filed in 2013 by one woman, the suit became a class-action in June 2016 and is still ongoing.</p>											

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<b>Microsoft Corp.</b>	No	No	No	No	Caution	Pass	NA	Pass	No	Pass	No
<p>● <i>Citizenship &amp; Human Rights and Child Labor:</i> Microsoft is one of 16 multinational companies that was named in a report published in January 2016 by Amnesty International and African Resources Watch (Afriwatch) detailing how cobalt, which is used in lithium-ion batteries, is mined by child laborers in the Democratic Republic of Congo (DRC) and making its way in to the products of major electronics brands. Microsoft acknowledged that it contracted with one of the suppliers named in the report for a limited number of batteries for a product development project, but that these batteries are not used in products sold by the company. Microsoft has not traced the cobalt used in its products due to the complexity and resources required. This is concerning given the predominance of cobalt from the DRC in the global market and the well-documented human rights abuses and child labor associated with its extraction in the DRC.</p> <p>+ Microsoft is pursuing a carbon neutral strategy. One of the tools that the company has implemented to achieve this is a global internal carbon fee model. Under this scheme, each business unit is charged a fee based on the carbon emissions associated with its electricity use and air travel. The carbon fee funds energy efficiency investments, renewable energy purchases, and externally certified carbon offset projects.</p>											
<b>National Oilwell Varco</b>	No	No	No	No	Pass	Caution	NA	Caution	No	Caution	Caution
<p>● <i>Oppressive Regimes:</i> National Oilwell Varco has ties to one or more countries where the state of political rights and civil liberties raise significant concerns (Equatorial Guinea, Saudi Arabia).</p> <p>● <i>Environment and Workplace:</i> National Oilwell Varco has limited policies and reporting on issues regarding environmental practices, employee safety, and diversity in the workforce.</p> <p>● <i>LGBT Awareness:</i> Corporate policies and practices meet some but not all criteria used in the Corporate Equality Index assessing commitments to LGBT employees.</p> <p>+ National Oilwell Varco has developed solar-powered water pumps for use where electric and diesel power is unavailable. These water pumps are currently used in African countries to provide water for the needs of rural villages, livestock, and irrigated agriculture.</p>											

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<b>Nestle</b>	No	No	No	No	Caution	Caution	NA	Pass	No	Caution	No
<ul style="list-style-type: none"> <li>● <i>Citizenship &amp; Human Rights</i>: The Nestlé supply chain includes the cocoa markets of West Africa. Cocoa farming is often characterized by small farms worked by family members including children at certain times. However, forced child labor is also a known problem in these markets. In Nestlé's Corporate Business Principles the company addresses child labor, forced labor and mentions cocoa in its agricultural products section.</li> <li>● <i>Oppressive Regimes</i>: Nestle has ties to one or more countries where the state of political rights and civil liberties raise significant concerns (Equatorial Guinea, Saudi Arabia, Syria).</li> <li>● <i>LGBT Awareness</i>: Corporate policies and practices meet some but not all criteria used in the Corporate Equality Index assessing commitments to LGBT employees.</li> </ul>											
<b>Parker Hannifin Corp.</b>	No	No	No	No	Pass	Pass	NA	Pass	Caution	Caution	No
<ul style="list-style-type: none"> <li>● <i>Militarism</i>: Parker Hannifin manufactures various products such as hoses, monitors, regulators, sensors, seals, and valves that are used in the production of missiles and unmanned aircraft like drones. The company does not manufacture the weapons, but does supply the producers with parts.</li> <li>● <i>LGBT Awareness</i>: Corporate policies and practices meet some but not all criteria used in the Corporate Equality Index assessing commitments to LGBT employees.</li> </ul>											
<b>PayPal Holdings, Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No
<b>PepsiCo Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No
<ul style="list-style-type: none"> <li>+ PepsiCo has been diversifying away from soft drinks and is pursuing opportunities in new product categories that include dairy and whole grains as well as sports nutrition and hydration. It has also been bolstering traditional product lines by reducing sugar, sodium and saturated fats in key brands and rolling out new low and calorie free beverages.</li> </ul>											



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<b>Prologis</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Caution	No
<p>● <i>LGBT Awareness:</i> Corporate policies include reference to sexual orientation and/or gender identity. There are no indications of any significant problems related to LGBT discrimination.</p> <p>+ Prologis has implemented many environmentally-friendly changes, including efficient lighting mechanisms at 73% of the company's global portfolio. 31% of the portfolio have "cool roofs" which reflect sunlight and absorb less heat. The company's GHG emissions have decreased year over year, and they aim to reduce by 20% by 2025. Prologis is one of more than 125 companies to sign the White House American Business Act on Climate Pledge.</p>											
<b>Regeneron Pharmaceuticals Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Caution	No
<p>● <i>LGBT Awareness:</i> Corporate policies and practices meet some but not all criteria used in the Corporate Equality Index assessing commitments to LGBT employees.</p>											
<b>Royal Dutch Shell Plc.</b>	No	No	No	No	Caution	Pass	NA	Caution	No	Pass	No
<p>● <i>Citizenship &amp; Human Rights and Environment:</i> Royal Dutch Shell has been the subject of controversy amongst social investors for several years. Questions over the disposal of the Brent Spar, the company's involvement in the activist hangings in Nigeria, and the development of the Sakhalin II oil and gas facility are just some of the more widely publicized events that have caused concern. As is often the case with integrated oil and gas companies, there are both human rights and environment concerns. While the company has adopted a sustainable development approach and a relatively strong commitment to outreach and communication regarding non-financial information, the company continues to face some significant negative public opinion.</p>											
<b>Salesforce.com</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No
<p>+ In September 2016, Salesforce.com named a Chief Equality Officer, responsible for leading the company's equality initiatives, focusing on gender, LGBTQ, and racial equality, and reporting to the Chairman and CEO. In keeping with best practice, the company discloses high-level metrics on its employee base, including ethnicity and gender. As of December 31, 2016, 30.1% of Salesforce.com global employees were women, 19.4% of management level employees were women, and 27% of the company's Board of Directors were women. During fiscal year 2017, the company conducted its second pay assessment and spent approximately \$3 million to address any unexplained differences in pay.</p>											

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<b>Schlumberger Limited</b>	No	No	No	No	Caution	Caution	NA	Pass	No	Caution	No
<p>● <i>Citizenship &amp; Human Rights and Oppressive Regimes:</i> With an extensive global presence, Schlumberger faces various ethical, political, and economic risks. These risks are especially relevant to the company's operations in Iran, Iraq, Syria, Sudan, Cuba, and Myanmar. Although countries like Iraq are high oil growth areas, geopolitical concerns are always considered in Schlumberger's risk assessment process, since they potentially outweigh the economic benefits. Although the company has stable and genuine foreign policy, there is always potential for further conflicts and human rights violations in some of the 85 countries in which they operate.</p> <p>● <i>LGBT Awareness:</i> Some corporate policies and practices meet criteria used in the Corporate Equality Index assessing commitments to LGBT employees. Further information is unavailable.</p> <p>+ Schlumberger has recognized that driving is the most risky work-related activity for its employees. The company has established Journey Management Centers in three locations around the world. The Centers monitor drivers' adherence to the journey plan and provide real-time tracking to monitor driving behavior with immediate feedback to drivers. The Centers help drivers improve their performance by defining, measuring and shaping driver behaviors. Since the establishment of these Centers, the company has noticed significant improvements in the number of road traffic incidents. For example, in less than two years, automotive accidents declined by 60% in the Middle East region.</p>											
<b>SunTrust Banks Inc.</b>	No	No	No	No	Caution	Pass	O	Caution	No	Pass	No
<p>● <i>Environment and Citizenship &amp; Human Rights:</i> An investigation by the public accountability initiative LittleSis found that 38 banks, including SunTrust, directed a total of USD 10.25 billion in capital to the Dakota Access pipeline project or the companies behind the project, Energy Transfer Partners, Energy Transfer Equity and Sunoco Logistics. The Dakota Access pipeline received significant scrutiny from more than 90 Native American tribes and environmental organizations claiming that construction began without meaningful consultation.</p>											
<b>T Rowe Price Group Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No
<b>Teleflex Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Caution	No
<p>● <i>LGBT Awareness:</i> Corporate policies include reference to sexual orientation and/or gender identity. There are no indications of any significant problems related to LGBT discrimination.</p>											

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<b>Texas Capital Bancshares Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Caution	No
<p>● <i>LGBT Awareness:</i> Corporate policies include reference to sexual orientation and/or gender identity. There are no indications of any significant problems related to LGBT discrimination.</p>											
<b>Thermo Fisher Scientific Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No
<b>TJX Companies Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No
<b>U.S. Bancorp</b>	No	No	No	No	Pass	Pass	O	Pass	No	Pass	No
<p>+US Bank is installing solar canopies at select branches. The solar canopies will generate solar electricity to power the branch and provide customers with shaded parking.</p>											
<b>Union Pacific Corp.</b>	No	No	No	No	Pass	Pass	NA	Caution	No	Pass	No
<p>● <i>Environment:</i> Many of Union Pacific Corp's shipments involve environmentally hazardous goods, such as coal and various chemicals. The company is responsible for cleaning up legacy contamination or pollution at various sites across the country. In June 2016, a Union Pacific train derailed about 70 miles away from Portland, Oregon. The train caught fire and spilled oil in to the Columbia River. The accident was caused by a fault in the rails. The accident has raised the general level of concern regarding oil freight transportation.</p>											
<b>United Technologies Corp.</b>	No	No	No	No	Pass	Caution	NA	Pass	Fail	Pass	No
<p>● <i>Oppressive Regimes:</i> United Technologies has ties to one or more countries where the state of political rights and civil liberties raise significant concerns (Saudi Arabia, Syria).</p> <p>- <i>Militarism:</i> United Technologies Corporation (UTC), through its Pratt and Whitney, Sikorsky, and Hamilton Sundstrand subsidiaries, develops and manufactures aircraft engines, propulsion systems, power distribution systems, flight control systems, metering devices, and other aircraft components for military aircraft and military helicopters such as the F-35 fighter jet and Black Hawk helicopter. Total military aerospace sales are approximately 20% of revenue.</p>											

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<b>UnitedHealth Group Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No
<p>+UnitedHealth Group's "Commitment to Universal Access to Essential Health Care" commits the company to universal, continuous, sustainable, affordable, quality health care. The company believes this type of health care can be achieved by simplifying the system, promoting prevention, personalizing choice, and sharing information between patients, physicians and hospitals.</p>											
<b>Visa Inc.</b>	No	No	No	No	Pass	Pass	NA	Pass	No	Pass	No
<b>Yum! Brands Inc.</b>	No	No	No	No	Caution	Pass	NA	Pass	No	Caution	No
<ul style="list-style-type: none"> <li>● <i>Citizenship &amp; Human Rights and Labor:</i> Yum! Brands has been accused of sourcing from suppliers involved in labor exploitation in Australia. Violations reveal difficulties in the company's enforcement practices which implies operational, regulatory and reputational risks.</li> <li>● <i>LGBT Awareness:</i> Corporate policies include reference to sexual orientation and/or gender identity. There are no indications of any significant problems related to LGBT discrimination.</li> </ul>											