



# LARGE CAP CATHOLIC VALUES

Second Quarter 2018

## OBJECTIVE

The LargeCap Catholic Values strategy seeks to outperform the S&P 500 Index over time and incorporates the guidelines set forth by the United States Conference of Catholic Bishops.

**Benchmark:** S&P 500 and LargeCap Model Portfolio

**Inception Date:** November 1, 2012

## PROCESS

Utilizing our LargeCap investment process in conjunction with business involvement screens and the Environmental, Social, and Corporate Governance (ESG) data of MSCI, we provide a customized solution consistent with the values of the Catholic Church:

- Protecting human life
- Promoting human dignity
- Reducing arms production
- Pursuing economic justice
- Protecting the environment
- Encouraging corporate responsibility

## MANAGEMENT GUIDELINES

**Holdings:** Approximately 70-85 positions

**Sector Over/Underweights:** S&P 500 +/-5.00%<sup>1</sup>

**Position Weights:** 0.50% to S&P 500 weight +2.50%<sup>1</sup>

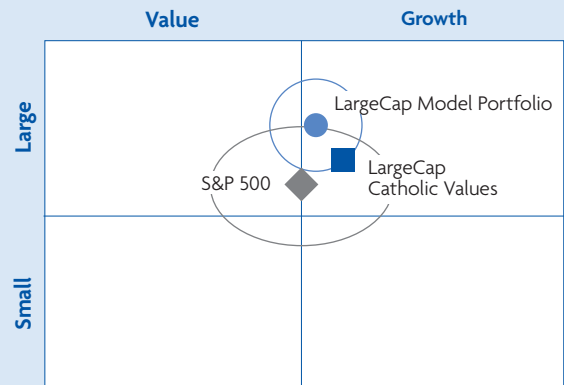
**Cash Position:** Typically 0.5% to 1.5%

**Average Annual Turnover:** Typically 60% to 120%

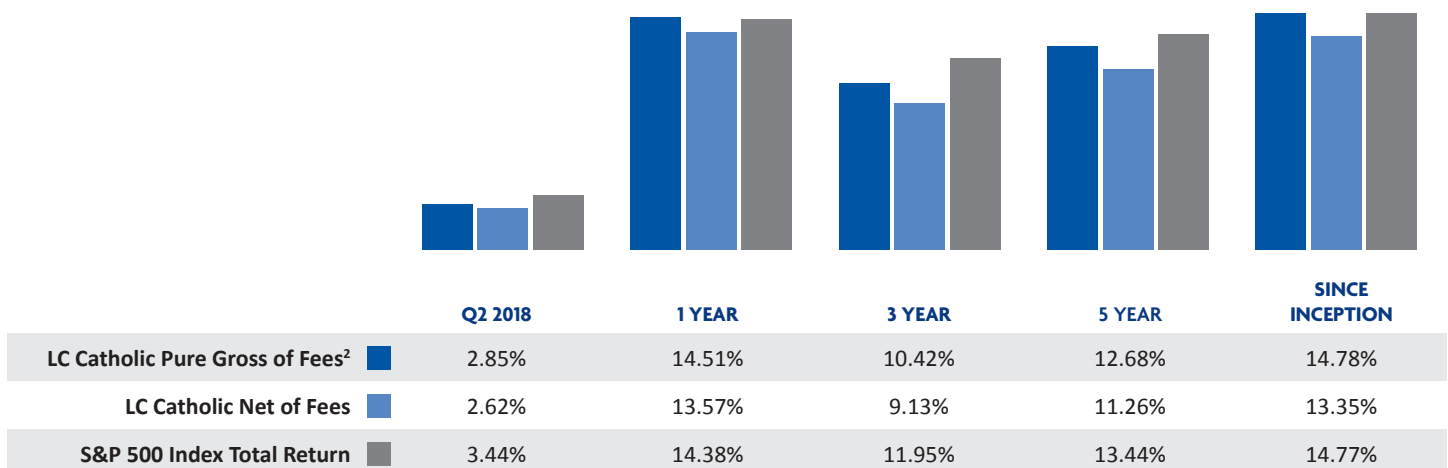
## DUAL BENCHMARK IMPLEMENTATION

This strategy employs a unique dual benchmark approach. The primary benchmark ensures total active risk versus the S&P 500 which is consistent with our LargeCap strategy portfolio.

The second benchmark limits the tracking error of this strategy versus our LargeCap strategy portfolio. This allows us to maintain very similar characteristics to our LargeCap strategy, while providing the flexibility needed to employ our social screens.



## COMPOSITE PERFORMANCE



## PORTFOLIO COMPOSITION

Top 10 Holdings <sup>3</sup>	LargeCap Catholic
Microsoft	5.84%
Visa	3.91%
Home Depot	3.86%
Mastercard	3.65%
HP	3.02%
Pepsico	2.96%
Adobe	2.72%
Accenture	2.60%
Nvidia	2.59%
Intel	2.58%

Sector Weightings <sup>4</sup>	LargeCap Catholic	S&P 500
Consumer Discretionary	5.16%	5.49%
Consumer Staples	6.43%	6.08%
Energy	3.93%	6.00%
Financials	22.40%	18.69%
Health Care	7.02%	11.95%
Industrial	5.83%	7.49%
Materials	4.46%	3.28%
Retail	8.74%	5.35%
Services	6.81%	5.22%
Technology	27.74%	27.34%
Utilities	1.49%	3.09%

STRATEGY CHARACTERISTICS<sup>5</sup>

	LargeCap Catholic	S&P 500
Average Market Cap	\$141.9 B	\$217.2 B
EPS 5 Year Growth Rate (Trailing)	20.92%	18.31%
Return on Equity (ROE)	36.19	26.28
Price/Earnings Ratio	19.89x	20.37x
Price/Book Ratio	4.21	3.28
Dividend Yield	1.59%	1.93%
Beta <sup>4</sup>	1.01	1.00
Number of Holdings	77	500

Strategy Statistics	LargeCap Catholic	S&P 500
Weighted ESG Weighting <sup>4</sup>	62.4%	53.7%

## ABOUT GREAT LAKES ADVISORS

Founded in 1981, Great Lakes Advisors is headquartered in Chicago, Illinois with an additional office in Tampa, Florida. The firm has over \$9.2 billion in assets under management and advisement and offers a wide range of fixed income and equity strategies across all market capitalizations. We have deep portfolio management capabilities within ESG, Socially Responsible, Tax-Managed, and Customized account solutions. Our clients include public funds, multi-employer plans, corporations, religious communities, endowments/foundations, health care plans, and private wealth management clients.

1. At time of purchase

2. Pure Gross of Fee Returns do not reflect the deduction of investment management fees or bundled fees for certain accounts where transaction costs cannot be separately identified from other service fees charged by the client's broker/dealer or custodian. Information presented on a pure gross of fee basis has not been independently verified. Net performance reflects the deduction of investment management fees and bundled fees as applicable.

3. Holdings are representative of a Disciplined Equity LargeCap Catholic account, are subject to change at any time, and are not recommendations to buy or sell any securities.

4. MSCI Barra Inc's analytics and data were used in preparation of this report ([www.msci.com](http://www.msci.com)).

5. Source: Bloomberg. Characteristics data is representative of a Disciplined Equity LargeCap Catholic account.

Great Lakes Advisors, LLC ("Great Lakes" or "GLA") is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Established in 1981, Great Lakes is a subsidiary of Wintrust Financial Corporation and a part of the Wintrust Wealth Management family of companies. On October 1, 2013, majority owned subsidiary Advanced Investment Partners, LLC ("AIP") became fully-owned and integrated into Great Lakes. Great Lakes is a distinct business unit with distinct investment processes and procedures relating to the management and/or trading of investment portfolios for its clients.

The LargeCap Catholic Values Composite includes all unrestricted accounts managed for sponsor platforms under the LargeCap Catholic Values strategy. (Renamed from Sustainable Responsible LargeCap-Catholic, 1/1/2017.) The Catholic strategy is based on guidelines set forth by the United States Conference of Catholic Bishops and includes the following: protecting human life, promoting human dignity, reducing arms production, pursuing economic justice, protecting the environment, and encouraging corporate responsibility. The Catholic strategy integrates environmental, social and governance (ESG) ratings for individual companies with Great Lakes Advisors' proprietary return forecasts based on a blend of fundamental, technical and sentiment measures and seeks to outperform the S&P 500 Index over time through superior stock selection while maintaining risk characteristics that are similar to the benchmark. The composite was created on November 30, 2012. Accounts within this composite do not employ leverage. All cash reserves and equivalents are included in returns. Returns are time weighted and included reinvest of dividends, income and gains. The value of assets and returns is expressed in U.S. dollars. Performance prior to October 1, 2013 occurred at Advanced Investment Partners prior to being acquired by Great Lakes Advisors. Holdings are available upon request. Additionally, market commentary is available on the firm's website at: [www.greatlakesadvisors.com](http://www.greatlakesadvisors.com) or upon request.

The benchmark selected for comparison of returns for the LargeCap Catholic Values Composite is the S&P 500 Index (an unmanaged index that tracks the performance of 500 widely held, large-capitalization U.S. stocks. They are usually the 500 largest companies in terms of market capitalization and are chosen to represent the entire market's value.); Index returns are provided to represent the investment environment existing during the time periods shown. All indexes are fully invested, which includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs. The index is not available for direct investment. Industry sectors are presented to illustrate the diversity of areas in which we may invest, and may not be representative of current or future investments.

Great Lakes Advisors, LLC claims compliance with the Global Investment Performance Standards (GIPS®). A complete list of firm composites and performance results, and the policies for valuing portfolios, calculating performance, and preparing GIPS compliant presentations are available upon request. To receive a complete presentation that complies with the requirements of GIPS standards and/or a complete list and description of all the firm's composites, contact the firm at 312.553.3700.

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