

DISCLOSURE BROCHURE

(FORM ADV, PART 2A)

THE CATHOLIC FOUNDATION
SEC File No. 801-34436

5310 HARVEST HILL RD. SUITE 248
DALLAS, TX 75230

This brochure provides information about the qualifications and business practices of The Catholic Foundation. If you have any questions about the contents of this brochure, please contact us at 972-661-9792 or info@catholicfoundation.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about The Catholic Foundation is also available on the SEC's website at www.adviserinfo.sec.gov.

Any reference in this brochure to The Catholic Foundation as a "registered investment adviser" or as "registered" does not denote or imply a certain level of skill or training.

March 30, 2012

ITEM 2: MATERIAL CHANGES:

There has been one material change in The Catholic Foundation's disclosure statement since last year's annual amendment filed on March 31, 2011. Client assets have decreased from \$38,800,000 to \$34,300,000. Of these totals, client assets managed on a discretionary basis have decreased from \$10,100,000 to \$6,800,000 and clients assets managed on a non-discretionary basis have decreased from \$28,700,000 to \$27,500,000. Our total regulatory assets under management also include \$85,000,000 in proprietary accounts managed on a discretionary basis. There have been no other material changes to The Catholic Foundation's disclosure statement filed on March 31, 2011.

ITEM 3: TABLE OF CONTENTS

ITEM 1: COVER PAGE.....	1
ITEM 2: MATERIAL CHANGES.....	2
ITEM 3: TABLE OF CONTENTS.....	3
ITEM 4: ADVISORY BUSINESS	4
ITEM 5: FEES AND COMPENSATION.....	5
ITEM 6: PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT.....	6
ITEM 7: TYPES OF CLIENTS	6
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	6
ITEM 9: DISCIPLINARY INFORMATION	7
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	7
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	8
ITEM 12: BROKERAGE PRACTICES.....	9
ITEM 13: REVIEW OF ACCOUNTS.....	10
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION	11
ITEM 15: CUSTODY	11
ITEM 16: INVESTMENT DISCRETION	11
ITEM 17: VOTING CLIENT SECURITIES.....	11
ITEM 18: FINANCIAL INFORMATION	12
SUPPLEMENTAL INFORMATION.....	12

This brochure provides prospective clients with information about The Catholic Foundation (“The Foundation” or “we” or “us”) that should be considered before or at the time of obtaining investment

advisory services from The Foundation. This information has not been approved or verified by any governmental authority. Please be advised that The Foundation will not assign its duties to a third party without your consent.

ITEM 4: ADVISORY BUSINESS

The Catholic Foundation is a non-profit corporation and a 501(c)(3) organization that has been in business in the State of Texas since 1955. The Foundation has no owners and is managed by a Board of Trustees. We are a permanent endowment fund, with our main purposes being (1) the distribution of grants, from assets owned and invested, to worthy and needy Catholic institutions primarily within the Catholic Diocese of Dallas, and (2) to raise funds for this permanent endowment. We accumulate assets through general contributions, planned gifts such as charitable trusts, wills and bequests, and permanent named endowment funds with a commitment to protect corpus to ensure future distributions. The Foundation, its Board of Trustees and its employees spend most of their time, over 90%, on activities relating to these purposes, and not on providing investment advice.

In July 1989, The Foundation became a registered investment adviser with the Securities and Exchange Commission. This allows us to provide investment-related services to non-profit, and principally Roman Catholic, organizations as well as a limited number of individuals. These services provided to clients include:

- Investment supervisory services, consisting principally of making investments for clients in accordance with their respective investment objectives or parameters.
- Investment management services regarding accounts or portfolios over which The Foundation does not have, or does not exercise, discretionary authority.
- Issuing checks to third parties on behalf of clients.
- Preparing and submitting reports to clients regarding their respective investments.
- Attending clients' board and finance council meetings to discuss investment results and market issues.

Our investment services consist of providing advice regarding investment strategies, particular types of investments, and allocations between or among investments. We do not specialize in any particular type of advisory service such as financial planning, quantitative analysis or market timing. General investment advice is provided by an independent investment consultant, LCG Associates, who is paid by The Foundation, and by Edwin Schaffler, the President and Chief Executive Officer of The Foundation or Carol McDonald, the Chief Financial Officer of The Foundation.

We provide investment advisory services tailored to the client's particular needs or instructions. Before providing any investment advisory services, one of our representatives will have one or more meetings with the client to determine the client's investment objectives. Based on that information, we will consult with the client, and obtain the client's consent, regarding the allocation of investment assets consistent with the designated investment objectives.

As of December 31, 2011, The Foundation managed client assets totaling approximately \$34,300,000. Of this total, approximately \$6,800,000 is managed on a discretionary basis and approximately \$27,500,000 is managed on a non-discretionary basis. Total Regulatory Assets Under Management also include \$85,000,000 in proprietary accounts.

ITEM 5: FEES AND COMPENSATION

For any of the investment advisory services described above, The Foundation charges fees ranging from 0.25% (25 "basis points") to 0.65% (65 "basis points") of the total market value of the invested assets in a client's account. These fees may be negotiated in certain instances (or even waived in rare situations), and may be higher in certain instances depending upon the services provided to specific clients. In some situations, we may institute an annual minimum fee and/or fixed fee. Our fees are in addition to any fees charged the client by the mutual fund or investment vehicle in which the client's funds are invested.

Our fees are payable quarterly in arrears, based upon the market value of all of the client's assets under management as of the last day of the preceding calendar quarter. Fees are due during the month following the end of the calendar quarter and are deducted from the client's assets in the account, unless other payment arrangements have been made. Fees are charged on all client assets under management by The Foundation at the end of a calendar quarter, before reflecting any deduction to pay the fees, and in the case of new or closed accounts, are prorated to reflect any time during a calendar quarter in which the client's assets were managed by The Foundation. A client's account may be closed by termination of the fund management agreement with The Foundation, upon at least 30 days' notice to The Foundation.

Clients may also pay mutual fund expenses, (which are charges like management fees and other expenses imposed at the fund level) and brokerage fees and/or transaction fees (which are charged by securities brokers for effecting certain securities transactions). Brokerage fees are discussed below in Item 12.

We do not accept or receive compensation for the sale of securities or specific investment products or mutual funds with one exception. As described below in Item 8, we typically recommend that our clients invest in no-load mutual funds. We do not receive any compensation for the sale of the shares of any mutual funds, but because of our previous ownership of Aquinas Investment Advisers, Inc. (which we sold in 2005), we may receive additional compensation from the LKCM Aquinas Funds as the result of any of our clients' investments in the LKCM Aquinas Funds. We realize that this type of arrangement may pose a conflict of interest for us, because recommending an LKCM Aquinas Fund will increase LKCM Aquinas Fund balances and generate additional compensation. Therefore, this relationship is specifically disclosed to and discussed with all clients prior to their investing in any of the LKCM Aquinas Funds.

ITEM 6: PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT

Neither The Foundation nor any of its supervised persons (providing any investment advice) accepts performance-based fees, which are fees based on a share of the capital gains on or capital appreciation of the assets of a client.

ITEM 7: TYPES OF CLIENTS

The Foundation generally provides investment advice to non-profit, charitable organizations, primarily Catholic parishes and schools, or to charitable trusts. Occasionally, the Foundation may provide investment advice to an individual, though the advice given to individuals is almost always provided in the context of the individuals' charitable objectives (which may include The Foundation as a beneficiary). A minimum account size of \$10,000 is required in most instances to open a new account; however, we have no minimum account size required for maintaining an account.

ITEM 8: METHODS OF ANALYSIS , INVESTMENT STRATEGIES AND RISK OF LOSS

The Foundation primarily invests our clients' assets in no-load, publicly traded mutual funds, selected and monitored by The Foundation's investment consultant, LCG Associates, Inc., and in most cases, approved by the Investment Committee of The Foundation's Board of Trustees. LCG Associates, Inc. is an independent investment advisory firm registered with the SEC that specializes in evaluating investment managers. The recommended listing of investment options includes mutual funds from the following asset classes: Fixed Income, Large Cap Value, Large Cap Growth, Small Cap, Money Market, and International.

Mutual funds are investment companies that are registered under the Investment Company Act of 1940. Mutual funds sell and redeem their shares at Net Asset Value. They are managed by investment advisors or managers who research, select and monitor the individual securities within the funds. The particular investment advisors or managers in any mutual fund may use varying methods of analysis and investment strategies. There are risks associated with all investments, including investments in mutual funds, and clients should be prepared to bear these risks. Equity-based mutual funds are subject to risks similar to those of individual stocks. Fixed Income mutual funds fluctuate with the bond market and are subject to the following risks:

- Credit risk – the risk that a company or bond issuer may fail to pay principal and interest payments in a timely manner.
- Interest rate risk – the risk that the market value of the bonds will go down when interest rates rise.

- Prepayment risk – the risk that a bond will be paid off early.

International mutual funds are subject to risks similar to those of individual stocks and to fluctuations due to changes in currency exchange rates and political climates.

The mutual funds' investment strategies (and methods of analysis of their investment advisors or managers) and the related risks are described in their respective prospectuses. The Foundation delivers to the client, or specifically directs the client to internet access to, copies of the relevant prospectuses for the proposed mutual fund investments.

If our recommended listing of investment options as described above do not satisfy a client's objective, other types of investments will be pursued if deemed appropriate by our outside investment consultant and depending upon the size of the account. These other types of investments may include certificates of deposit, publicly traded stocks and bonds, or in some instances, investments in limited partnerships.

We do not use or recommend a strategy that involves frequent trading of securities.

Clients should be aware that results for any particular investment account will vary depending on market conditions and the composition of investments in the account. There is no assurance that an investment will provide positive performance over any period of time, and past performance is no guarantee of future results.

ITEM 9: DISCIPLINARY INFORMATION

Neither The Catholic Foundation nor its management has been involved in any legal or disciplinary events related to investment advisory clients.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

We currently have no other financial industry activities or affiliations.

The Foundation previously owned Aquinas Investment Advisers, Inc., an investment advisor which managed The Aquinas Funds, a mutual fund company founded under the Investment Company Act of 1940. Aquinas Investment Advisers, Inc. was sold in July 2005 to Luther King Capital Management located in Fort Worth, Texas. Luther King Capital Management continues to operate the LKCM Aquinas Funds. The LKCM Aquinas Funds are on the recommended listing of investment options offered by us. Because of our previous ownership of Aquinas Investment Advisers, Inc., we may receive additional compensation as the result of clients' investments in the LKCM Aquinas Funds. We realize that this type of arrangement may pose a conflict of interest for us, because recommending the LKCM Aquinas Funds will increase LKCM Aquinas Fund balances and generate additional compensation. Therefore, this relationship is specifically disclosed to and discussed with all clients prior to their investing in any of the LKCM Aquinas Funds.

As stated above, The Foundation retains the services of a full-service investment consulting firm, LCG Associates, Inc., headquartered in Atlanta, Georgia. LCG Associates, Inc. is an independent and employee-owned firm which was founded in 1973. Their clients are nationally recognized corporations, academic institutions, endowments, non-profit organizations, and foundations. LCG Associates, Inc. is a registered investment adviser with the Securities and Exchange Commission. Additional information regarding LCG Associates, Inc. may be found at www.adviserinfo.sec.gov.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics. We have adopted a written Code of Ethics that we believe complies with the requirements of the SEC's rule 204A-1 under the Investment Advisers Act of 1940. This Code of Ethics is a part of the Foundation's Compliance Manual and applies to the members of the Board of Trustees and the officers and other employees of The Foundation and the persons providing investment advice for The Foundation (all of these persons, "Supervised Persons").

Our Supervised Persons have the responsibility at all times to place the interests of our clients first, to not take advantage of client transactions, and to avoid any conflicts or the appearance of conflicts, with the interests of clients. In addition to ensuring the protection of nonpublic information about the activities of our advisory clients, the Code of Ethics imposes personal transaction reporting obligations on our full-time employees. These personal transaction reporting obligations are not imposed on all Supervised Persons as they are not involved in the day to day operations of The Foundation.

While this Code of Ethics does not address every possible situation that may arise, every Supervised Person is responsible for exercising good judgment, applying ethical principles and bringing potential violations of the policy to the attention of our Chief Compliance Officer, Carol P. McDonald.

A complete copy of the Code of Ethics is available upon request.

Participation or Interest in Client Transactions. The Foundation's Board of Trustees has an investment committee that determines the investment allocation strategy for The Foundation's unrestricted endowment fund. The LKCM Aquinas Funds is a part of this investment allocation as are other mutual funds included on the listing of recommended mutual funds. Many of our advisory clients are partially invested in the LKCM Aquinas Funds if those mutual funds satisfy the client's investment objectives. As explained above in Item 5, because of our previous ownership of Aquinas Investment Advisers, Inc., we may receive additional compensation as the result of clients' investments in the LKCM Aquinas Funds. We realize that this type of arrangement may pose a conflict of interest for us, because recommending an LKCM Aquinas Fund will increase LKCM Aquinas Fund balances and generate additional compensation. Therefore, this relationship is specifically disclosed to and discussed with all clients prior to their investing in any of the LKCM Aquinas Funds.

Personal Trading. Our full-time employees are not prohibited from investing in a mutual fund that is on our recommended list of mutual funds recommended by our independent investment consultant. However, information regarding client orders for the purchase or sale of individual securities (i.e., not mutual fund shares) must not be used in any way to influence trades in personal accounts or in the accounts of other clients, including those of other full-time employees. Full-time employees are prohibited from buying or selling individual securities for themselves ahead of a client's order or following a client's order. Any full-time employee suspicious of this type of activity is required by our Code of Ethics to report the activity to the Chief Compliance Officer immediately.

ITEM 12: BROKERAGE PRACTICES

We have the authority to determine broker or brokerage firms through which purchases and sales of securities are affected. When we make that determination, several factors, intended to lead to "best execution" for the client, are considered:

- Where the best price for a security is likely to be obtained, which is a function of past experiences with individual brokers, brokerage firms, and the particular security in question.
- The size of the transaction, including the number of shares, dollar value, and number of clients involved.
- The complexity of execution and settlement of a transaction.
- The amount of the brokerage commission, which is negotiated to an appropriate level based on the size of the transaction and its complexity.
- The reliability, financial condition, and integrity of a broker or brokerage firm.
- The importance to the client or clients of speed, efficiency, or confidentiality regarding the transaction.

Because of these considerations, we may select a broker or brokerage firm that charges a commission in excess of that which another broker or brokerage firm might have charged for effecting the same transaction.

We have no oral or written arrangement with any broker or brokerage firm under which we receive "soft-dollar" benefits.

Client Referrals. On occasion, we may receive a referral of a client from a broker or brokerage firm. This type of referral may pose a conflict of interest for us, because we may be more inclined to allow the referring broker to execute transactions for the client, or even execute transactions for other clients, with the hope that the broker or brokerage firm will make referrals to us. Nevertheless, unless the referring client specifically directs us to use the referring broker, we will follow our approach in selecting brokers described in the first paragraph of this Item.

Directed Brokerage. If a client directs us to use a particular broker to effect a trade, we will typically do as the client directs. Client-directed brokerage service could be disadvantageous for the client, however, because:

- We typically will be unable to, and will not, negotiate lower commission rates from a directed broker.
- We may be unable to obtain volume discounts of execution costs (for the client's benefit) resulting from aggregated or "batched" trades or transactions effected by a broker for numerous clients.
- The client may have to pay materially higher commissions than the client would have paid, or may receive less favorable execution on certain transactions than the client would have received, if we had selected the broker or brokerage firm.
- We may not be able to obtain "best execution" of the trades for the client.

Other times, we may be requested by the client to refer them to a broker or brokerage firm. This situation may also pose a conflict of interest for us, because we may make the referral with the hope or expectation that the broker or brokerage firm to which the referrals are made will make referrals of clients to us. In these situations, we will follow our approach in selecting brokers described in the first paragraph of this Item.

Trade Aggregation. When the opportunity arises, we aggregate trades to obtain volume discounts, for our clients' benefit, on execution costs.

ITEM 13: REVIEW OF ACCOUNTS

We conduct account reviews on an annual basis, but will do so more frequently if dictated by the client or current market conditions. These reviews are conducted by our personnel qualified to do so. These reviews are intended to ensure that the client's investment objectives are consistent with the current portfolio asset mix and current income needs. During this review, the client is updated on current market performance and historical trends.

Written reports are sent to all clients on a quarterly basis and more frequently, if requested by the client. Clients receive a written summary of account performance from the beginning of the calendar year forward to the end of the current quarter. The report contains information on current year to date returns as well as applicable benchmark returns. Clients also receive underlying trade confirmations, as appropriate and written investor statements directly from the mutual fund and/or its investment adviser, each quarter. Clients should carefully review these confirmations and statements to determine that the information on them agree with the corresponding report prepared and sent to them from us. Any discrepancies should be reported to us immediately.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

We do not have any oral or written arrangement under which we are paid cash or receive an economic benefit from a non-client in connection with giving investment advice to clients, except as described above in Item 5 in relation to the LKCM Aquinas Funds.

We do not directly or indirectly compensate anyone for client referrals.

ITEM 15: CUSTODY

We have custody of our clients' funds, both because we have access to those funds and because we can have our fees paid by debiting those funds. We maintain each client's assets over which we have custody with a qualified custodian, such as a broker-dealer or a bank that directly sends written account statements and related information at least quarterly to the client. As described above in Item 13, we also send written reports on assets to each client. Therefore, clients should carefully review these statements from the custodian to determine that the information on them agrees with the corresponding report prepared and sent to them from us. Any discrepancies should be reported to us immediately.

ITEM 16: INVESTMENT DISCRETION

As described above in Item 4, we have discretionary authority, which is the authority to determine the securities and the amount of securities to be bought and sold without specific client consent, over various client accounts. Despite such authority, however, we typically contact our clients and discuss each security purchase or sale prior to execution.

An initial asset allocation for each client is usually established in an initial meeting with the client and may be revised by the client at any time. All future investments and or subsequent withdrawals are made to the appropriate funds to keep the effective investment allocation in place. Fund re-allocations are done upon receipt of a specific client request to do so. A client may impose, by a writing provided to us (including the investment advisory agreement), restrictions on the investments in the account.

ITEM 17: VOTING CLIENT SECURITIES

Most of our clients are invested partially in the LKCM Aquinas Funds, which has its own set of proxy voting policies and procedures which are consistent with the investing guidelines of the United States Conference of Catholic Bishops "USCCB". Those USCCB guidelines are available at www.usccb.org/finance, and a copy will be provided upon request. Regarding clients' investments in other mutual funds, those funds will have their own sets of proxy voting procedures and guidelines as

described in their prospectuses. For any portfolios which include securities outside of the LKCM Aquinas Funds or any other mutual fund, these proxies are voted by The Foundation using the general investing guidelines of the USCCB. If a conflict of interest is identified by The Foundation when reviewing the proxy solicitation, The Foundation will contact the client for voting instructions. We do not routinely rely on any third-party proxy voting service to advise us on how to vote non-mutual-fund securities. Information regarding how we voted any securities in a client's portfolio is available upon request.

Clients may individually direct us on how to vote regarding a particular solicitation, but they must notify us in writing of their intent to do so, at least three weeks prior to the voting deadline.

ITEM 18: FINANCIAL INFORMATION

The Foundation does not require prepayment of any client fees. The Foundation has no financial condition which is likely to impair our ability to meet contractual commitments to our clients.

SUPPLEMENTAL INFORMATION

Privacy Policy. The Catholic Foundation protects the confidentiality and security of client information and all non-public personal information – including name, address, tax identification or social security number, and account numbers, holdings, and balances – of or about our clients. We receive non-public personal information of or about our clients from:

- Information on applications or other forms that the client submits.
- Information about the client's transactions with The Catholic Foundation or other persons or entities.

The Catholic Foundation does not disclose any of this non-public personal information to any other person or entity, except in one of the following limited circumstances:

- Information may be disclosed to persons or entities that help The Catholic Foundation process or service the client's transactions or accounts, such as broker-dealers, auditors, or attorneys.
- Information may be disclosed in accordance with the written permission or instructions of the client, such as to the client's accountant or advisor.
- Information may be disclosed where The Catholic Foundation believes disclosure is required by law or regulation, such as to cooperate with regulators or law enforcement authorities.

The Catholic Foundation restricts access to a client's non-public personal information to those employees and other persons who need to know the information to enable us to provide services to or for the benefit of the client. The Catholic Foundation maintains physical, electronic, and procedural safeguards to protect the non-public personal information of its clients.

The preceding privacy policies or practices will continue to be followed by The Catholic Foundation regarding non-public personal information of or about any inactive or former client.

Business Continuity Plan. The Catholic Foundation has a comprehensive business continuity plan to keep us up and running through interruptions of all kinds such as power failures, IT system crashes and natural disasters. This plan addresses our people, equipment needs, and an alternative location should the current office space be damaged or destroyed, with the main goal being the successful resumption of operations as quickly as possible. This plan is reviewed and updated on an annual basis.