

**CATHOLIC INVESTMENT SERVICES, INC.**

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**Period Ending**

**December 31, 2022**

This brochure provides information about the qualifications and business practices of Catholic Investment Services, Inc. ("CIS"). If you have any questions about the contents of this brochure, please contact us at (617) 758-6588 and/or [info@catholicinvest.org](mailto:info@catholicinvest.org). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

CIS is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. Additional information about CIS is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 2 Material Changes**

The United States Securities and Exchange Commission (“SEC”) requires that Catholic Investment Services, Inc. (“CIS”), provide our clients with a Form ADV Part 2A (the “Brochure”). Our goal when preparing our Brochure is to provide you with easy-to-understand “plain English disclosure,” using an easy-to-read format and definite, concrete, and understandable words.

There have been the following material changes to our Brochure since our last annual update for the period ending December 31, 2021.

### **Item 4 Advisory Business Update to assets under management.**

A complete copy of our Brochure may be requested by calling (617) 758-6588 or at [info@catholicinvest.org](mailto:info@catholicinvest.org). Our Brochure is also available free of charge on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 3      Table of Contents**

Item 2 – Material Changes.....	2
Item 3 – Table of Contents .....	3
Item 4 – Advisory Business.....	5
Item 5 – Fees and Compensation.....	6
Item 6 – Performance-Based Fees .....	8
Item 7 – Types of Clients.....	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9 – Disciplinary Information .....	12
Item 10 – Other Financial Industry Activities and Affiliations .....	12
Item 11 – Code of Ethics .....	13
Item 12 – Brokerage Practices .....	14
Item 13 – Review of Accounts .....	15
Item 14 – Client Referrals and Other Compensation.....	15
Item 15 – Custody.....	16
Item 16 – Investment Discretion .....	16
Item 17 – Voting Client Securities .....	16
Item 18 – Financial Information .....	17

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## **Item 4 Advisory Business**

Catholic Investment Services, Inc. (“CIS”) is a Delaware charitable non-stock corporation which was formed in December 2013. As a non-stock corporation, CIS has no equity owners. CIS does not seek to earn a profit, but recognizes that some retained earnings should be maintained to ensure the ongoing viability of the organization. Fees that CIS earns are used generally to pay expenses and build adequate working capital.

This Brochure provides information about CIS and its investment advisory business. CIS provides investment management advice and supervisory services to privately offered limited partnerships (“private investment funds”) and discretionary management services to certain other private entities (“separately managed accounts”). Clients in separately managed accounts as well as investors in private investment funds managed by CIS must become “members” of CIS. Members of CIS are organizations exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code of 1986, as amended (the “Code”) as organizations described in Section 501(c)(3) of the Code and employee benefit plans maintained by members of CIS for their employees.

Interests in any private investment funds, managed or sponsored by CIS or an affiliate may be offered and sold only pursuant to a definitive prospectus or offering memorandum (or similar offering document), subscription materials and organizational documents for each such investment fund (collectively, “Offering Materials”). This Brochure is only a summary and discloses only certain items required to be disclosed herein, and this Brochure does not include all material information necessary to properly evaluate an investment decision regarding any private investment fund managed or sponsored by CIS or an affiliate. Before making any investment decision regarding any private investment fund managed or sponsored by CIS or an affiliate, members and prospective members should carefully review the Offering Materials applicable to such private investment fund and should make any investment decisions regarding such private investment fund solely on the basis of such Offering Materials. With respect to any private investment fund managed or sponsored by CIS or an affiliate, this Brochure is qualified in all respects by the more detailed information provided in the Offering Materials for such private investment fund.

Specifically with respect to private investment funds, as of the date of this Brochure, CIS serves as the general partner of the Catholic Endowment Fund, LP (“CEF”), CIS Diversifying Strategies Fund LP (“CDSF”), CIS Global Equity Fund LP (“CGEF”), CIS Catholic Impact Fund, LP (“CIF”), and CIS Catholic Impact Fund II, LP (“CIF II”) (each, a “Fund” and collectively, the “Funds”) and is responsible for the management and operations of the Funds. This includes, but is not limited to: (i) formulating the socially responsible investment guidelines for the Funds; (ii) admitting limited partners and accepting capital contributions; (iii) authorizing the payment of fees and allocations of profits to money managers (as applicable) pursuant to the relevant governing documents or agreements and any rebates or reductions of such fees or allocations, which shall be for the benefit of the Funds; (iv) retaining any firm, entity or person as CIS may, in its sole and absolute discretion, select from time to time, at the expense of the Funds, for the purpose of maintaining the Funds’ books and records and performing administrative services on behalf of the

Funds; and (v) engaging personnel, whether part-time or full time, attorneys and independent accountants or such other persons as CIS may deem necessary or advisable. CIS has other responsibilities in connection with the Funds including, as applicable, the selection of advisers and/or sub-advisers to manage a particular Fund (e.g., CEF) or selection of one or more underlying funds into which a particular Fund may invest (e.g., CIF).

CIS has the ability to hire other advisers and sub-advisers to manage the assets of any Fund as well as any separately managed account, which it does. These sub-advisers (each related and collectively referred to as the “TAS”), are an unaffiliated third-party investment manager pursuant to separate investment advisory agreements. TAS have the ability, as well, to hire other advisers or sub-advisers to manage client account assets under the investment advisory agreements. In addition, with respect to CEF, TAS has the ability to invest, typically, in a diversified group of privately-offered collective investment vehicles that are managed by unaffiliated investment managers (the “Underlying Managers”) seeking to generate returns through diversification across multiple asset classes globally and active security selection. CEF may also invest in managed accounts managed by Underlying Managers. With respect to CIF and CIF II, CIS determines which underlying fund(s) to invest fund assets in. Initially, CIS has determined to structure each of CIF and CIF II as a feeder fund that invests almost all of its assets in an unaffiliated private investment fund.

Members of CIS and prospective members of CIS should refer to each Fund’s Offering Materials for additional/supplementary information regarding the investment strategies of each Fund and the advisory services provided by CIS.

Investors in the Funds cannot obtain services tailored to their specific needs.

As of December 31, 2022, CIS had assets under management of \$1,564,183,123.00, all of which were managed on a discretionary basis.

## **Item 5 – Fees and Compensation**

CIS charges clients an advisory fee based on a percentage of the account’s market value (“asset-based fee”).

With respect to separately managed accounts, asset-based fees are typically billed monthly at the end of each month. Fees are pro-rated for partial periods. The asset-based fees for separately managed accounts are generally equal to 0.15% per annum of the accounts market value. Fees are negotiable under certain circumstances such as size and complexity of the account. Separately managed account clients separately incur custody fees and brokerage and transaction costs as well as costs for certain third-party service providers as agreed to with each client. The advisory fee payable to CIS for separately managed account clients does not include any fees payable to other sub-advisers hired to manage account assets. Those sub-advisers will be paid directly from the account in accordance with the investment advisory agreement between the client and CIS and the agreements with the sub-adviser(s). CIS does not have unilateral authority to, and will not, make direct withdrawals from the accounts of any of its clients to pay its own fees. CIS’ fees, including

the advisory fees and fees payable to any sub-adviser(s) are calculated independently by the administrator for the separately managed account.

With respect to CEF, CDSF and CGEF, CIS generally receives a management fee (the “Management Fee”) from each Fund equal to 0.20% per annum of the Fund’s net asset value. The Management Fee does not include any fees payable to TAS or Underlying Managers or that are payable as a result of any investment in any investment vehicle. The Management Fee for each of CEF, CDSF and CGEF is typically calculated and paid monthly in arrears. The Management Fee is pro-rated based upon a member’s actual period of ownership of its interest in each Fund in accordance with the Fund’s Offering Materials.

With respect to CIF and CIF II, CIS generally receives a Management Fee from each Fund equal to 0.35% per annum of the Fund’s aggregate subscriptions prior to the end of the investment period and 0.35% per annum of the Fund’s net invested capital after the investment period ends. The Management Fee does not include the fees payable at the underlying fund level. The Management Fee for CIF is typically calculated and paid quarterly in advance. The Management Fee is prorated based upon a member’s actual period of ownership of its interest in each Fund in accordance with the Offering Materials.

With respect to the Funds, each Fund’s administrator calculates the fee amount with respect to the Fund and transmits the fee calculation to CIS. CIS confirms the calculations and then submits a payment request to the bank for the applicable Fund, which arranges for payment to CIS. CIS may waive or reduce the Management Fee with respect to any Fund investor. CIS does not have unilateral authority to, and will not, make direct withdrawals from the accounts of any of its clients to pay its own fees. CIS’ fees, including the Management Fees and any related advisory fees payable to TAS or Underlying Managers, are calculated independently by a third party administrator as part of that administrator’s enumerated duties as administrator to the applicable Fund. The administrator calculates these fees in accordance with the relevant Fund’s Offering Materials using the administrative and other records that the administrator prepares and maintains for the applicable Fund. After CIS verifies the accuracy of the administrator’s fee calculations, the administrator arranges for such fees to be paid by wire transfer to the applicable account.

In addition to CIS’ management fees, all costs related to the operations and organization of each Fund will be borne by the applicable Fund, with aggregate organization and start-up expenses generally capped at \$250,000 (for newly offered funds). All costs with respect to any interest held in portfolio investments (e.g., any management fees, incentive allocations or other performance fees associated with any underlying funds in which the applicable Fund holds an interest) passed through from underlying funds will be borne by the applicable Fund.

Members of CIS and prospective members of CIS should refer to each Fund’s Offering Materials for additional/supplementary information regarding the various fees and charges associated with investments in each Fund.

## **Item 6 – Performance-Based Fees**

CIS does not charge performance-based fees for its investment advisory services. A sub-adviser for a separately managed account or the underlying fund in which a Fund invests or Underlying Managers engaged by a particular Fund may charge performance-based fees. Performance-based compensation arrangements may create an incentive for an Underlying Manager to recommend underlying funds or make investments which may be riskier or more speculative than would be the case if the Underlying Manager were not compensated in this manner. Performance based fees charged by a sub-adviser to a separately managed account or performance fees charged by an underlying fund or Underlying Managers for a particular Fund will be borne by the respective separately managed account or Fund, as applicable.

## **Item 7 – Types of Clients**

CIS provides investment advisory and management services to separately managed accounts and pooled investment vehicles. Clients in separately managed accounts as well as investors in the Funds managed by CIS must become “members” of CIS. Members of CIS are organizations exempt from Federal income taxes under Section 501(a) of the Code as organizations described in Section 501(c)(3) of the Code and employee benefit plans maintained by members of CIS for their employees. CIS may provide services to additional types of clients in the future.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

CIS serves as the investment adviser to separately managed account clients and the general partner of the Funds and has delegated a substantial part of its investment management activities to TAS for some separately managed account clients and for CEF. CIS has designed each client’s investment program to reflect the teachings of the Roman Catholic Church and is informed by the Socially Responsible Investment Guidelines published by the US Conference of Catholic Bishops (“USCCB”) as such guidelines may be amended from time to time (the “CIS Investment Guidelines”). CIS has primary responsibility for day-to-day administration, management and operations of the clients, as well as interpretation of the Socially Responsible Investment Guidelines as published by the USCCB (the “Guidelines”). In addition to developing the CIS Investment Guidelines and interpreting the Guidelines, CIS has other responsibilities in connection with certain clients including the selection of advisers and/or sub-advisers for a separately managed client account or a Fund.

### **Separately Managed Account Clients**

Each separately managed account’s investment objective is as set forth in the investment advisory agreement related to such account. In addition, as mentioned above, each client account’s investment program is designed to reflect the teachings of the Roman Catholic Church and the Guidelines. The separately managed accounts are subject to general market and economic risk as well as the risk that a socially-focused strategy will underperform other types of strategies. In addition, each separately managed account is subject to the risks of the particular strategies



followed by the advisers/sub-advisers hired to manage account assets. More information on risks is provided below.

### CEF, CDSF and CGEF

CEF's investment objective is to attain a growing stream of current income and appreciation of principal that at least offset inflation in accordance with the CIS Investment Guidelines. CEF's performance objective is to achieve a total return (price appreciation plus dividends and interest income) net of expenses that, over a majority of market cycles, exceeds inflation as measured by the Consumer Price Index, plus 5% per annum through investments made in accordance with the CIS Investment Guidelines. In seeking to achieve its investment objective, the Fund uses two principal means: (1) diversification across multiple asset classes globally; and (2) active security selection. Asset class allocations and allocations to Underlying Managers, separately managed accounts or in other collective investment vehicles, such as exchange-traded funds, open-end mutual funds, and private investment funds (each a "CIV" and collectively, "CIVs") may change from time to time.

CDSF's investment objective is to generate meaningful investment returns with limited equity market sensitivity through investments made in accordance with the CIS Investment Guidelines. CDSF will have broad latitude to opportunistically allocate its assets to any and all asset classes and securities, other financial instruments, and other investments and products of any kind that CIS believes are appropriate for endowed charities and certain other non-profit organizations seeking to achieve total returns. CDSF's portfolio will serve as the primary diversifying strategies assets held by Catholic Endowment Fund, LP, a separate diversified investment partnership managed and operated by CIS. Asset class allocations and allocations to Underlying Managers, separately managed accounts or in other CIVs may change from time to time.

CGEF's investment objective is to achieve net total returns in excess of its benchmark, the MSCI All Country World Index (the "Benchmark") through investments made in accordance with the CIS Investment Guidelines. CGEF will have broad latitude to opportunistically allocate its assets to any and all asset classes and securities, other financial instruments, and other investments and products of any kind that CIS believes are appropriate for endowed charities and certain other nonprofit organizations seeking to achieve total returns. The Fund's portfolio will serve as the primary equity and equity-like assets held by Catholic Endowment Fund, LP, a separate diversified investment partnership managed and operated by CIS. Asset class allocations and allocations to Underlying Managers, separately managed accounts or in other CIVs may change from time to time.

CIS has delegated to TAS the exclusive right to make investment decisions on behalf of the CEF, CDSF and CGEF, including decisions as to the terms, conditions and types of investments so long as such investment decisions are consistent with the investment restrictions established by CIS based on its interpretation of the Guidelines. CIS and TAS have agreed upon certain operating procedures regarding the Fund's investment program and selection of Underlying Managers to ensure compliance with the CIS Investment Guidelines and Guidelines as provided by CIS to TAS.

An investment in CEF, CDSF or CGEF entails a high degree of risk and investment results may vary substantially on a monthly, quarterly or annual basis. There can be no assurance a Fund will

achieve its investment objective. Among many risk factors, some are particularly notable. These include, without limitation, the general economic environment, the impact of legal and regulatory developments, the discretion afforded to CIS, TAS or Underlying Managers, the restrictions, including those based on the Guidelines, with respect to the investment program and its operating procedures, and the valuation processes that CIS will use in valuing Fund assets.

CEF, CDSF and CGEF each seek to achieve its investment and performance objectives primarily by allocating capital to Underlying Managers and CIVs. The success of this approach is dependent on the ongoing ability of TAS to identify and retain money managers and CIVs and on the ability of those Underlying Managers and CIVs to achieve favorable investment returns. Neither CIS nor TAS will have the ability to approve investments made by Underlying Managers or CIVs in which the Fund is invested. It is also possible CEF, CDSF, CGEF, Underlying Managers or CIVs may hold economically offsetting positions. In general, CIS and TAS have limited access to detailed information regarding the portfolios of CIVs. CIS or TAS may also be restricted in its ability to share with members certain information regarding the CIVs or Underlying Managers.

The tiered structure of multi-manager CIVs also creates risks of which members should be aware. Preparation of financial statements and other reports will generally take longer because CIS relies on CIVs and Underlying Managers to provide the information necessary to prepare such statements and reports. Income may be realized at the level of a CIV without a corresponding distribution to members. As a result, members may have an obligation to pay tax in excess of the money they actually receive (to the extent a member must pay any tax). Finally, multiple tiers of funds and management imposes multiple tiers of certain fees and expenses.

TAS also pursues a direct trading strategy whereby it invests a portion of the Fund's assets directly in a limited number of publicly traded equity securities (typically, not more than 20). TAS chooses these direct equity holdings from the listed equity positions reported on Form 13F by a small group of long-oriented, active investment managers who are tracked by TAS based upon TAS's beliefs that they have demonstrated an ongoing ability to add value through security selection and that they tend not to trade very frequently.

Members are subject to specific risks relating to the strategies CEF, CDSF or CGEF pursue directly or indirectly through Underlying Managers and CIVs that are selected. Assets allocated to the hedge fund or absolute return sector may be invested in and actively traded securities and other financial instruments using a variety of strategies and investment techniques with significant risk characteristics, including the risks arising from the volatility of the equity, fixed-income, commodity, and currency markets, the risks of borrowings and short sales, the risks arising from leverage associated with trading in the equity, currency, and over-the-counter ("OTC") derivatives markets, the illiquidity of derivative instruments, and the risk of loss from counterparty defaults. Assets allocated to the realty and natural resources sector may be invested in commercial and residential real estate, including land, and oil and natural gas exploration and production, timberland, and other natural resources. Such investments are highly illiquid and subject to various uninsured and uninsurable risks such as general economic climate, market disruptions, industry cycles, and/or supply or demand changes. Additionally, CIVs that invest in private equity, real estate, natural resources, and other less liquid investments typically do not offer withdrawal rights to their investors and their assets are difficult to value with a high degree of certainty. There are

also certain risks associated with the Guidelines including, but not limited to, the risks associated with investing in accordance CIS' interpretation of the Guidelines which may limit the full universe of investment opportunities available to a Fund and, therefore, investments made in accordance with the Guidelines may underperform, at times materially, investments made without such restrictions; the risks arising from excluding potential investments in certain companies, CIVs and other enterprises CIS determines, in its sole discretion, to be engaged in activities contrary to the Guidelines. More information on risks is provided below.

### CIF and CIF II

The primary purpose of each of CIF and CIF II is to operate as a private equity fund of funds that will make investments in one or more underlying funds subject to the Fund's investment program being designed to reflect the teachings of the Roman Catholic Church and the Guidelines. As described above, each of CIF and CIF II has been structured as a feeder fund that invests most of its assets in one other unaffiliated underlying fund. CIF and CIF II are each subject to general market and economic risk as well as the risks that a socially-focused strategy will underperform other types of strategies. More information on market and economic risk is provided below. In addition, as feeder funds, CIF and CIF II are subject to the risks applicable to the strategy followed by the underlying fund in which they invest. In addition to the usual risks associated with the various investments made by the underlying fund, an investment in CIF or CIF II contains the following additional risks. If an investor in CIF or CIF II were able to invest directly in or with the underlying fund the investor might avoid the additional layer of fees associated with an investment in CIF or CIF II. By investing in the underlying fund indirectly through CIF or CIF II, an investor will not only bear the fees associated with an investment in CIF or CIF II, but will also indirectly bear the fees associated with investing through the underlying fund. The underlying fund manager or its affiliates may receive performance-based allocations or fees to which they are entitled based on the governing documents of the underlying fund and as a result, investors in CIF or CIF II will indirectly bear such performance allocations or fees.

### General Risks Applicable to All Clients

No guarantee or representation is made that any client account including the Funds will be successful. There can be no assurance that the investment or performance objectives of a client account or Fund will be achieved. The specific risks of each Fund are described more fully in such Fund's Offering Materials. Generally, investing in securities and other instruments, whether directly or indirectly, involves risks that members should be prepared to bear.

In addition to the strategy specific risks identified above, client accounts are subject to general market risk.

Market risk is the risk that one or more markets in which a client account invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. In particular, market risks, including political, regulatory, market, economic and social developments, and developments that impact specific economic sectors, industries or segments of the market, can affect the value of a client's investments. In addition, turbulence in financial markets and reduced liquidity in the markets may negatively affect many issuers, which could adversely affect client accounts. These risks may be magnified if certain social, political, economic

and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) adversely interrupt the global economy; in these and other circumstances, such events or developments might affect companies world-wide and therefore can affect the value of a client account's investments.

Client accounts are also subject to investment style risk. A client account invested in CIS's investment strategies, as described above, involves the risk that the investment strategy may underperform other investment styles or the overall market.

In addition, CIS and its service providers rely on information technology and electronic communications to conduct business, which introduces the risk of cybersecurity breaches. Cybersecurity breaches, amongst other risks, could cause a business disruption and/or allow unauthorized access to confidential information and client data. While CIS and its service providers have controls designed to reasonably protect against cybersecurity breaches, not all cyber incidents are preventable. As a result, clients may be impacted by such cybersecurity breaches.

In December of 2019, the virus SARS-CoV-2, which causes the coronavirus disease known as COVID-19, began to surface. The disease spread around the world, causing temporary and extended closure of many corporate offices, retail stores and manufacturing facilities across the globe, as well as the implementation of travel restrictions and remote working and "shelter in place" or similar policies by numerous companies and national and local governments. These actions caused the disruption of manufacturing supply chains and consumer demand in certain economic sectors, resulting in significant disruptions in local and global economies. The short-term and long-term impact of COVID-19 on the operations of CIS and the performance of the Funds or SMAs are difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and actions taken by authorities and other entities to contain COVID-19 and its economic impact. These potential impacts, while uncertain, could adversely affect the performance of the Funds or SMAs.

## **Item 9 – Disciplinary Information**

As a registered investment adviser, CIS is required to disclose all material facts regarding any legal or disciplinary events that would be material to a member's or prospective member's evaluation of CIS or the integrity of CIS' management. CIS has no information applicable to this Item 9 to report.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Certain of our management persons and other employees may be or are registered representatives of Foreside Fund Services, LLC, a SEC-registered broker-dealer.

CIS serves as the general partner of the Funds and is responsible for the management decisions related to the Funds. In addition, as discussed above, CIS has the ability to hire other advisers and sub-advisers to manage assets for separately managed account clients as well as the Funds and therefore has relationships with those selected advisers and subadviserssub

TAS, in connection with the launch of CIS, provided seed capital to CIS through a combination of grants, matching grants, out-of-pocket expenses, and soft costs. Richard Flannery, TAS's Chief Executive Officer, serves as an informal advisor to CIS. In addition, TAS provides certain administrative services to CIS under an Administration Services Agreement. For these services, CIS pays TAS based on the hourly rate of the TAS employee providing the services.

## **Item 11 – Code of Ethics**

CIS has adopted a Code of Ethics (the "COE") and other policies and procedures relating to, among other things, portfolio management and trading practices, personal investment transactions, and insider trading, that outline standards of employee conduct and are designed to prevent and/or resolve conflicts of interest with respect to our clients.

All CIS employees are provided with a copy of the COE at the time they are hired and each employee must certify annually that they understand and are in compliance with the provisions of the COE. Employees are also promptly notified of any material changes to the COE and must certify that they understand any changes that are imposed.

The COE contains a detailed description of CIS' requirements for and monitoring of personal securities transactions executed by CIS employees. Although the COE permits employees to trade in securities for their personal investment accounts, employees who wish to do so must follow the COE, which contains pre-clearance procedures, reporting requirements, and other provisions that restrict personal trading by employees. All employees are required to disclose personal brokerage accounts information in connection with pre-cleared trades and to submit either quarterly transaction reports or duplicates of their broker account statements and trade confirmations. Certain employees of CIS may maintain non-discretionary accounts with unaffiliated third parties and such accounts may not be subject to all of the COE's requirements because these employees have granted discretion over their trading activity to a third party. While transactions in these accounts may be in direct competition or contravention of client transactions, any such activity is not CIS employee-directed.

Under the COE, employees who are involved in researching or recommending securities are subject to trading prohibitions. CIS actively monitors the personal trading activity of its employees to detect and correct any violations of the COE. Regardless of these safeguards, personal transactions of CIS' associated persons and personnel represent an inherent conflict of interest.

CIS clients and prospective clients may request a copy of the COE by contacting us at (617) 758-6588 or [info@catholicinvest.org](mailto:info@catholicinvest.org).

The results of CIS' investment activities for a client may differ significantly from the results achieved by CIS for other or future clients. CIS will manage the assets of a client in accordance with the investment mandate selected by that client. However, CIS may give advice or take action with respect to the assets of one client that may compete with the advice or investment action that CIS takes on behalf of other clients. In particular, CIS may buy or sell positions for one client while CIS is pursuing a strategy on behalf of another client that is identical, different, or even opposite to the strategy pursued on behalf of the first client.

At times, CIS and its affiliates may provide the initial seed capital in connection with the creation of a new investment product or style. Proprietary capital may not exhibit the same performance results as similarly managed client accounts for a variety of reasons, including regulatory restrictions on the type and amount of securities in which the proprietary capital may be invested, differential credit and financing terms, as well as any hedging transactions. While CIS acts solely in the best interests of its clients, these circumstances may give rise to the appearance of a conflict of interest.

## **Item 12 – Brokerage Practices**

CIS, TAS and/or Underlying Managers select brokers, dealers, and banks to execute transactions for the purchase or sale of equity securities based upon a judgment of their professional capability to provide the service. The primary consideration is to have brokers or dealers provide “best execution.” A determination of “best execution” encompasses many factors, including, but not necessarily limited to, the price paid or received for a security, the commission charged, the promptness and reliability of execution, the confidentiality and placement accorded the order and other factors affecting the overall benefit obtained by the account in the transaction. Lower commissions may be paid when a transaction presents little difficulty in execution, is smaller in size, or is transacted through an automated crossing mechanism.

### **Research and Other Soft Dollar Benefits**

CIS does not receive research or other products or services other than execution from a broker-dealer or third-party as a result of client securities transactions.

TAS generally disfavors soft dollar practices. Accordingly, TAS will not engage in soft dollar practices for its own benefit or for the benefit of any of its affiliates in portfolio transactions that it executes directly on behalf of its clients.

Underlying Managers are not precluded from engaging in soft dollar practices, although CIS generally expects that such managers will comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934 and applicable SEC guidance regarding the use of soft dollars and will require that each Underlying Money Manager’s compliance program include an appropriate soft dollar policy.

### **Brokerage for Client Referrals**

CIS does not consider client referrals when selecting or recommending broker-dealers.

### **Directed Brokerage**

CIS generally does not permit clients or members to dictate which brokers to use for trades. If CIS accepts client-directed brokerage instructions, CIS may be unable to achieve most favorable execution of client transactions and directing brokerage may cost clients more money. Any instances where CIS accepts client directed brokerage instructions or where CIS imposes brokerage instructions on an external money manager must be approved in advance by the CCO.

### **Aggregating Orders**

It is the policy of CIS to allocate investment opportunities among clients fairly and equitably so that no client for whom CIS has investment decision responsibility shall receive preferential treatment over any other client. The allocation of investment opportunities shall never favor any client over another. In addition, CIS shall always put the clients' interest ahead of its own and therefore shall never favor CIS or any affiliate of CIS ahead of its clients.

Since certain clients have similar investment objectives and programs, CIS will generally aggregate client orders for the purchase or sale of securities if it is believed that joint execution is in the best interest of each participant and will result in best execution. On occasion, CIS may not aggregate client orders as particular circumstances warrant but will seek best execution practices. CIS may place a combined order for two or more clients engaged in the purchase or sale of the same security if it is believed that joint execution is in the best interest of each participant and will result in best execution. Transactions involving clients participating in an aggregated order will participate at the same average share price per share for all CIS's transactions in that security on a given business day or such shorter period, as applicable or as otherwise specified and transaction costs will be shared pro rata based on each client's participation in the transaction. If the aggregated order is only partially filled, CIS will allocate among participating clients on a pro rata basis.

### **Item 13 – Review of Accounts**

CIS directly or indirectly through its various service providers, monitors the investment performance of its advisory clients and advisers or sub-advisers selected by CIS to manage client assets, including such other advisers'/sub-advisers/ compliance with the Guidelines, on a monthly basis. CIS' review includes monthly meetings with advisers'/sub-advisers' investment professionals to discuss portfolio strategy, the CIS Investment Guidelines, Underlying Managers, composition, security selection and other topics relevant to managing a client account. With respect to the CIS Investment Guidelines, a third-party administrator, on behalf of CIS, performs a daily post-trade compliance check of the activity in the managed accounts against the restricted security list provided to the administrator by CIS and is responsible for informing CIS if an adviser/sub-adviser or an Underlying Manager makes an investment listed on the restricted security list. If such an investment is identified, CIS, the applicable adviser/sub-adviser and/or the Underlying Manager will work in concert to take the necessary steps to resolve the noncompliance.

At least quarterly, CIS provides reports describing the performance of the separately managed accounts or Funds, as applicable, in absolute terms against the client's benchmarks. Such quarterly reports are distributed electronically to members. In addition, members generally receive monthly statements and reports from a third-party administrator which detail applicable account information.

### **Item 14 – Client Referrals and Other Compensation**

CIS is not compensated by anyone for providing investment advice or other advisory services except as previously disclosed in this Brochure.

CIS does not directly or indirectly compensate any person who is not a supervised person for client referrals.

## **Item 15 – Custody**

CIS does not act as a custodian for client assets. However, under Rule 206(4)-2 (the “Custody Rule”) of the Advisers Act, CIS may be deemed to have custody of client assets because it acts as general partner of the Funds. Client funds and securities are held by a qualified custodian appointed by the separately managed account client or applicable Fund pursuant to a separate custody agreement. Certain Funds have entered into a custodian agreement with First Republic Bank (“First Republic”) pursuant to which First Republic services as the qualified custodian for the Funds. First Republic is a bank meeting the definition of a qualified custodian. Each Fund is audited (at least annually) and distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all limited partners in such Fund in compliance with Rule 206(4)-2(b)(4) and SEC guidance related to such Rule. Certain Funds have entered into custodian agreements with State Street, as well, pursuant to which State Street services as the qualified custodian to those Funds.

## **Item 16 – Investment Discretion**

Per the written advisory agreements or limited partnership agreements between CIS and each separately managed account client or fund it manages or advises, CIS has full investment discretion for such account or fund, as applicable, including the power to delegate all such investment discretion to other advisers or sub-advisers. When selecting advisers/sub-advisers for a particular client or fund, CIS observes the investment policies, guidelines, limitations and restrictions of the investment program for the applicable account or fund, all of which are set forth in the investment advisory agreements or Offering Materials of such account or fund, as applicable. CIS has adopted various trading protocols for CIS employees that transact on behalf of the client accounts and funds. The protocols aim to promote appropriate checks between CIS’ investment and operational providers.

## **Item 17 – Voting Client Securities**

CIS has adopted written proxy voting policies and procedures (the “Procedures”). The Procedures include specific proxy voting guidelines that set forth the general principles CIS uses to determine how to vote in client accounts for which it has proxy voting responsibility. CIS’s proxy voting guidelines ensure voting is in accordance with Catholic principals. CIS Procedures require it to consider the following factors when voting securities: board diversity, diversity and equality, labor and human rights, environment, health and safety, consumer lending and economic development, abortion related activities, and adult entertainment. CIS has engaged Institutional Shareholder Services, Inc. (“ISS”) as its voting delegate and to manage the Procedures, however, CIS remains responsible for oversight of ISS’ voting.

Most proxies that CIS receives on behalf of clients are voted by ISS in accordance with the Procedures. Because almost all proxies are voted by ISS pursuant to the pre-determined procedures, it normally will not be necessary for CIS to make an actual determination of how to vote a particular proxy, thereby largely eliminating conflicts of interest for CIS during the proxy voting process. Nevertheless, CIS’ Procedures include a section to address the possibility of conflicts of interest between clients and CIS. In the very limited instances where we consider



voting a proxy contrary to ISS' recommendation, CIS will first assess the issue to see if there is any possible conflict of interest involving CIS. If CIS has actual knowledge of a conflict of interest, CIS may engage another independent third party to do additional research on the particular proxy issue in order to determine how the proxy should be voted. CIS will then review the proxy voting materials and recommendation provided by ISS and the independent third party to determine how to vote the issue in a manner which the CIS believes is consistent with the Procedures and in the best interests of the client.

CIS clients and prospective clients may request a copy of CIS' proxy voting policy and procedures by contacting us at (617) 758-6588 or [info@catholicinvest.org](mailto:info@catholicinvest.org). CIS' clients may obtain information about CIS' voting history by contacting us at (617) 758-6588 or [info@catholicinvest.org](mailto:info@catholicinvest.org).

## **Item 18 – Financial Information**

CIS is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients or members, and has not been the subject of a bankruptcy proceeding.