



CATHOLIC VALUES 100
Second Quarter 2008 Results
(Net of Management Fees)

	<u>Second Quarter</u>	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
Catholic Values 100	+7.32%	-2.8%	11.3%	17.8%
Russell 1000 Index	-1.89%	-12.4%	4.8%	8.2%
Russell 3000 Index	-1.69%	-12.7%	4.7%	8.4%
S&P 500 Index	-2.72%	-13.1%	4.4%	7.6%

With the economy losing 438,000 jobs over the past six months, auto and light truck sales off about 15%, oil near \$150 a barrel and mortgage foreclosure on the rise, it's only a matter of time before the Commerce Department releases negative GDP statistics. The labor situation is an important issue. The initial jobs data has been revised lower for 13 of the past 16 months. Despite the economic uncertainties, the market began to repair itself during the first half of the quarter based on forecasts of better things to come for the second half. Unfortunately, the forecasters were proved wrong by the banking industry that continued to write-down assets as mortgage delinquencies rose. Both the S&P 500 and the Russell 1000 lost nearly 10% during the second half of the quarter. For the period as a whole, Financial Service stocks once again led the market lower with a 19.1% decline followed by Industrial Stocks at -10.6% and Consumer Discretionary at -8.1%. Energy topped the gainers list with a 16.9% increase followed by Utilities at +7.1%.

FIRST QUARTER COMPARISONS

	<u>Growth</u>	<u>Value</u>	<u>Core</u>
Russell 1000	1.25%	-5.31%	-1.89%
Russell MidCap	4.65%	0.07%	2.67%
Russell 2000	4.47%	-3.55%	0.58%
Russell 3000	1.51%	-5.17%	-1.69%

Growth stocks moved back to the front of the performance chart during the period in all size categories. Midcap issues did particularly well across all categories followed by small cap growth stocks which posted the worst results in the first quarter.



Sector Analysis

Sector	Second Quarter % Change		Sector Weights		Sector Contributions
	Catholic Values 100	S&P Sectors	Catholic Values Average	S&P 500 Average	
Basic Materials	27.7%	3.88%	7.3%	3.7%	26.0%
Cap. Goods/Ind.	-1.40%	-10.59%	17.3%	11.7%	-3.1%
Info. Tech.	5.38%	2.29%	20.1%	16.0%	15.82%
Cons. Discret.	-3.70%	-8.12%	12.1%	8.5%	-5.77%
Healthcare	-10.7%	-1.73%	6.7%	11.6%	-9.3%
Cons. Staples	-11.4%	-5.92%	2.8%	10.7%	-4.1%
Energy	30.2%	16.92%	23.3%	14.4%	90.9%
Financial	-7.0%	-19.01%	9.1%	16.0%	-8.2%
Utilities	-	7.10%	-	3.7%	-
Telecom.	-14.0	-5.09%	1.2%	3.4%	-2.2%

The Catholic Values 100 Portfolio significantly outperformed the market during the second quarter primarily due to gains achieved in the Energy, Basic Material and Information Technology sectors. The portfolio increased 7.32% for the period compared to declines of 1.89% reported for the Russell 1000 and 2.72% for the S&P 500. The strong quarterly results placed the portfolio well ahead of the market for the first six months of 2008; The Catholic Values 100 portfolio outperformed the Russell 1000 and the S&P 500 Composite by an average of 7.15% for the period.

ADVOCACY UPDATE

Our Advocacy Affiliate, Aquinas Associates, has worked with a number of retailers over the past several years to stop sales of mature-rated video games to minors. We are pleased to report that significant progress has been made in this effort. The Federal Trade Commission (FTC) conducted a secret shopping test at major retailers to see if minors could purchase these pornographic rated games. The survey found that only 20% of underage teenage shoppers were able to buy M-rated video games, a major improvement from a prior survey when 69% were able to purchase these games in 2003. Aquinas has worked with retailers on this effort including **Amazon, Best Buy, Blockbuster, Costco, Circuit City, Game Stop, Sears & K-Mart, Target, and Wal-mart.** Game Stop rejected an impressive 94% of underage shoppers.



The U.S. Department of State estimates that over a million children are exploited in global commercial sex trade. Child sex tourism (CST) involves people who travel from their own country to another and engage in commercial sex acts with children. Tourists engaging in CST often travel to developing countries looking for anonymity and the availability of children in prostitution. The crime is typically fueled by weak law enforcement, corruption, the Internet, ease of travel, and poverty. Aquinas has been involved with major hotel chains to establish policies to protect children and to educate hotel staff to recognize offenders. They have already announced our success with **Marriot** and **Starwood**. **Wyndham** and **Choice** have subsequently agreed to participate in this program.

In July, 2008, Aquinas staff will have a phone meeting with Wal-Mart executives to discuss their ethical sourcing practices. This will be a follow-up to the on site November 7, 2007 and March 10, 2008 meetings with CEO Lee Scott on this topic. Preparations are underway at Wal-Mart for a meeting next quarter with over 1,000 of their Asian suppliers in Hong Kong. On September 3rd, Aquinas will have a formal review at Wal-Mart headquarters of their efforts to make the world a better place regarding social justice for foreign workers.

Access to Medicine: Aquinas Associate, Dan Rosan, drafted and investor statement for use by the Interfaith Center for Corporate Responsibility (ICCR) in the collective work done with leading drug companies. Additionally, Aquinas senior principal, Frank Rauscher, participated in a joint meeting of major pharmaceutical companies on June 6th to discuss factors to improve access to medicine for people in third world countries. Companies included **GlaxoSmithKline, Bristol Myers, Novartis, Gilead, Merck, and Pfizer.**

Tom Czech, C.F.A.

	2008 Thru 6/30/08	2007	2006	2005	2004	2003	Five Years To 12/31/2007 Compounded
Catholic Values 100	-4.39%	16.2%	11.5%	19.5%	25.8%	37.4%	21.8%
Russell 1000	-11.20%	5.8%	15.5%	6.3%	11.4%	29.9%	13.5%
S&P 500 Composite	-11.91%	5.5%	15.8%	4.9%	10.9%	28.7%	12.8%
Russell 3000	-11.05%	5.1%	13.9%	4.6%	10.8%	29.4%	12.4%

Past performance is no guarantee of future results. The Summit composites are constructed of similarly managed unconstrained, discretionary accounts in accordance with industry calculation standards. New accounts are included in their first full calendar months of operation. Performance is based on time-weighted, total returns including resigned accounts. Performance results reflect the reinvestment of dividends and other earnings. Net of Fees performance is determined by deducting the maximum wrap fee of 1.4% per year from the gross returns. Summit's exact fees are described in part II of Form ADV. The composition and market volatility of the Russell 1000, S&P 500 and Russell 3000 indices, and the composition and volatility of the portfolios managed by Summit are materially different. The results presented were achieved during generally upward trending market conditions.