



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

	<u>First</u> <u>Quarter</u>	<u>One</u> <u>Year</u>	<u>Three</u> <u>Years</u>	<u>Five</u> <u>Years</u>
Catholic Values 100	-10.89%	0.4%	9.8%	19.4%
Russell 1000 Index	-9.48%	-5.4%	6.2%	11.9%
Russell 3000 Index	-9.52%	-4.5%	5.7%	12.4%
S&P 500 Index	-9.44%	-2.4%	6.8%	11.9%

The sub-prime mortgage and related credit crunch problems have spread to other areas, creating what appears to be the first recession in seven years for the U.S. economy. The unemployment rate increased to 5.1% last month compared to 4.4% a year ago, while the number of jobs declined by 232,000 during the first quarter. The good news is that the Federal Reserve began to lower interest rates before the overall economy began to register declines and together with the tax rebates scheduled for May, most forecasters expect the recession to be modest and relatively short-lived. Stocks declined at all economic sectors for the first quarter, in response to these and other economic developments. The Technology, Financial Services and Telecom sectors were all down approximately 15% for the quarter and the overall market was off 9.44%. In addition, stocks have now declined for five consecutive months.

FIRST QUARTER COMPARISONS

	<u>Growth</u>	<u>Value</u>	<u>Core</u>
Russell 1000	-10.18%	-8.72%	-9.48%
Russell MidCap	-10.95%	-8.64%	-9.98%
Russell 2000	-12.83%	-6.53%	-9.90%
Russell 3000	-10.39%	-8.55%	-9.52%

After dominating in the marketplace last year, growth stocks took a back seat to value issues in all size categories. The difference was particularly large in the small cap space where small cap value stocks posted the smallest declines. In the interest of fair disclosure, the small cap value sector recorded, by far, the worst performance last year.



Sector Analysis

Sector	First Quarter % Change		Sector Weights	
	Catholic Values 100	S&P Sectors	Catholic Values Average	S&P 500 3/31/08
Basic Materials	2.39%	-3.55%	5.4%	3.6%
Cap. Goods/Ind.	-11.24%	-4.47%	13.8%	12.2%
Info. Tech.	-12.55%	-15.37%	19.5%	15.7%
Cons. Discret.	-13.47%	-6.25%	9.4%	8.6%
Healthcare	-15.73%	-11.94%	11.7%	11.7%
Cons. Staples	-1.53%	-2.78%	1.9%	11.1%
Energy	-6.45%	-7.53%	19.8%	13.2%
Financial	-13.18%	-14.67%	17.4%	16.8%
Utilities	-	-10.68%	-	3.6%
Telecom.	-13.6%	-14.55%	0.9%	3.4%

Looking back at the history of our performance record, we have found that we tend to outperform the market during periods of rising or sideways moving stock prices, and underperform during periods of sharply declining prices. Unfortunately, the market declined sharply during the first quarter and the Catholic Values 100 Portfolio predictably underperformed modestly during the period. The above average declines of healthcare issues (-15.7%) and consumer discretionary stocks (-13.5%) were the primary factors causing the underperformance during the first quarter.

ADVOCACY UPDATE

On March 10th our advocacy affiliate Aquinas Associates, met again with Lee Scott, president of Wal-Mart, and his key staff to discuss their ethical sourcing practices. This was a follow-up to the November 7, 2007 meeting on the same topic which we reported last quarter. Wal-Mart made a major public announcement on January 24, 2008 that they will be a leader in this area. In fall 2008, a meeting with over 1000 of their Asian suppliers will take place in Hong Kong to focus more energy on this topic as well as environmental issues. This is a major success story as Wal-Mart has more revenues than most countries in the world and has the ability to improve working conditions for millions of workers.

Aquinas continues to lead an effort to place at least one woman on every board of directors of companies in the Fortune 500. They have worked on Apple for almost two years including letters to former VP Al Gore, who is on their board. Apple now has added a female to their board. Aquinas has added staff to continue focus in this and other areas to eliminate discrimination at all levels in a company.



Aquinas has been actively working with Citibank to provide affordable housing in the Gulf Coast areas hit by Hurricanes Katrina and Rita. Citibank has gone from only one project in 2006 to nineteen (19) projects in 2007. Aquinas is also involved with Bank of America, Wachovia, Regions, and Wells Fargo.

On March 25, 2008, Aquinas Associates was a sponsor of a symposium in Washington, D.C. that brought together the U.S. State Department, U.S. corporations, and investors to discuss actions to thwart the child sex tourism industry “*Promising Practices and Public Private Partnerships: The Path Forward to Combating Human Trafficking*”. The primary goals are to elevate awareness and develop workable solutions for key business sectors to counter human trafficking or modern-day slavery.

The Indonesian business Coalition on AIDS (IBCA) is a voluntary association of businesses working in Indonesia. Its goal is to deliver an effective private sector response to HIV/AIDS through HIV workplace programs. Aquinas work with Freeport McMoran has them involved with the launch of this coalition which just took place. Freeport is one of the world’s largest copper producers and is a major economic force in Indonesia.

	Five Years					
	To 12/31/2007					
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>Compounded</u>
Catholic Values 100	16.2%	11.5%	19.5%	25.8%	37.4%	21.8%
Russell 1000	5.8%	15.5%	6.3%	11.4%	29.9%	13.5%
S&P 500 Composite	5.5%	15.8%	4.9%	10.9%	28.7%	12.8%
Russell 3000	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.

