

**ST. FRANCIS XAVIER INVESTMENT CORP.  
GREEN BAY, WISCONSIN**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2021 AND 2020**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
St. Francis Xavier Investment Corp.  
Green Bay, Wisconsin

We have audited the accompanying financial statements of St. Francis Xavier Investment Corp. (a Wisconsin corporation), which comprise the statements of assets and liabilities and schedules of investments as of June 30, 2021 and 2020, and the related statements of operations and changes in net assets for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors  
St. Francis Xavier Investment Corp.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Francis Xavier Investment Corp. as of June 30, 2021 and 2020, and the results of its operations and changes in its net assets for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Oshkosh, Wisconsin  
September 29, 2021

**ST. FRANCIS XAVIER INVESTMENT CORP.  
STATEMENTS OF ASSETS AND LIABILITIES  
JUNE 30, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
Interest in Pooled Cash	\$ 31,760	\$ 5,875
Investment Securities Held for Investors, at Fair Value:		
Fixed Income Fund	32,925,800	24,421,365
Equity Fund	61,548,639	49,000,118
Money Market Fund	20,328,759	14,639,775
Total Investment Securities	114,803,198	88,061,258
 Total Assets	 \$ 114,834,958	 \$ 88,067,133
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 15,000	\$ -
<b>NET ASSETS</b>		
Available for Investors:		
Fixed Income Fund	\$ 32,925,800	\$ 24,421,365
Equity Fund	61,548,639	49,000,118
Money Market Fund	20,044,828	14,405,573
Total Available for Investors	114,519,267	87,827,056
 Net Assets Without Donor Restrictions	 300,691	 240,077
Total Net Assets	114,819,958	88,067,133
 Total Liabilities and Net Assets	 \$ 114,834,958	 \$ 88,067,133

See accompanying Notes to Financial Statements.

**ST. FRANCIS XAVIER INVESTMENT CORP.**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2021**

	Shares	Cost	Fair Value	Percentage of Fund
<b>FIXED INCOME FUND</b>				
<b>Mutual Funds</b>				
Baird Intermediate Bond Fund	606,749	\$ 6,673,874	\$ 6,977,611	21.19 %
Blackrock Strategic Income	247,535	2,525,338	2,569,416	7.80
Pimco Moderate Duration Fund	1,441,551	15,034,190	15,121,873	45.93
The Blackrock Global Long/Short	146,174	1,561,725	1,504,131	4.57
<b>Money Market Funds</b>				
Federated US Treasury Cash Reserve Fund Class I	1,162,710	1,162,710	1,162,710	3.53
<b>Bonds</b>				
Utilities	*	312,976	337,647	1.03
Financials	*	1,144,434	1,194,617	3.63
Industrials	*	1,539,285	1,609,559	4.89
Federal Agencies	*	422,680	419,764	1.27
State and Municipal	*	1,647,118	1,641,165	4.98
Foreign Obligations	*	369,337	387,307	1.18
Total Fixed Income Fund		\$ 32,393,667	\$ 32,925,800	100.00 %
<b>EQUITY FUND</b>				
<b>Mutual Funds</b>				
Baird Mid Cap Fund	210,170	\$ 2,985,075	\$ 6,471,130	10.51 %
Vanguard Institutional Index Fund	34,778	10,663,718	13,055,136	21.23
Vanguard Small Cap Index Fund	56,228	3,104,286	6,069,211	9.86
Oakmark International Fund #109	135,523	2,595,570	4,019,625	6.53
Christian Brothers Cuit International Equity Fund	33,502	1,500,000	2,066,434	3.36
WCM Focused International Growth Fund	123,925	1,468,723	3,393,061	5.51
Christian Brothers Cuit Core Equity Fund	110,996	8,107,423	11,254,976	18.29
DFA Emerging Markets Core	62,072	1,214,233	1,674,709	2.72
<b>Money Market Funds</b>				
Federated US Treasury Cash Reserve Fund Class I	1,377,107	1,377,107	1,377,107	2.24
<b>Common Stocks</b>				
Agilent Technologies, Inc.	2,175	74,524	321,487	0.52
CBRE Group, Inc.	3,714	96,603	318,401	0.52
Laboratory Corporation	1,003	129,727	276,678	0.45
SLM Corporation	12,822	108,478	268,493	0.44
Jacobs Energy Group, Inc.	2,009	76,863	268,041	0.44
Euronet Worldwide, Inc.	1,973	99,356	267,046	0.43
Mid-America Apartment Communities, Inc.	1,565	145,093	263,577	0.43

See accompanying Notes to Financial Statements.

**ST. FRANCIS XAVIER INVESTMENT CORP.**  
**SCHEDULE OF INVESTMENTS (CONTINUED)**  
**JUNE 30, 2021**

	Shares	Cost	Fair Value	Percentage of Fund
<b>Common Stocks (Continued)</b>				
Helen of Troy Limited	1,140	\$ 181,268	\$ 260,057	0.42 %
Gildan Activewear, Inc.	6,860	153,507	253,271	0.41
Keysight Technologies, Inc.	1,640	44,289	253,232	0.41
Ross Stores, Inc.	2,006	65,355	248,744	0.40
Winnebago Industries	3,530	138,658	239,899	0.39
Firstcash, Inc.	3,040	212,149	232,378	0.38
Equinix, Inc.	287	116,483	230,346	0.37
Colfax Corporation	5,020	124,743	229,966	0.37
East West Bancorp, Inc.	3,145	147,266	225,465	0.37
IAA, Inc.	4,070	207,764	221,978	0.36
American Woodmark Corporation	2,680	232,029	218,929	0.36
Genpact Limited	4,807	120,696	218,382	0.35
Virtu Financial, Inc.	7,588	194,702	209,656	0.34
Umpqua Holdings Corporation	11,040	203,514	203,688	0.33
First Republic Bank San Francisco	1,060	40,521	198,400	0.32
Becton Dickinson & Co.	790	114,338	192,120	0.31
EMCOR Group, Inc.	1,528	69,124	188,234	0.31
Essent Group Limited	4,130	140,857	185,644	0.30
Air Lease Corporation	4,437	177,000	185,200	0.30
Integra Lifesciences Holdings	2,700	151,383	184,248	0.30
Hill Rom Holdings	1,620	155,168	184,016	0.30
Syneos Health, Inc.	1,990	94,092	178,085	0.29
Alexandria Real Estate Equities, Inc.	978	117,939	177,937	0.29
PGT Innovations, Inc.	7,310	111,807	169,811	0.28
Schweitzer-Mauduit International	4,130	174,896	166,769	0.27
Glacier Bancorp, In	3,020	114,833	166,342	0.27
Woodward, Inc.	1,350	110,526	165,888	0.27
American Eagle Outfitters, Inc.	4,310	61,142	161,754	0.26
<b>Industry Groupings</b>				
Communication Services	1,732	63,102	83,500	0.14
Consumer Discretionary	13,192	533,481	721,782	1.17
Consumer Staples	817	153,681	169,098	0.27
Energy	2,230	95,538	125,348	0.20
Financials	16,082	780,519	948,004	1.54
Health Care	3,490	105,905	93,602	0.15
Industrials	32,531	857,524	1,275,748	2.07
Information Technology	4,913	304,691	476,137	0.77
Materials	6,338	381,060	539,869	0.88
Total Equity Fund		<u>\$ 40,798,329</u>	<u>\$ 61,548,639</u>	<u>100.00 %</u>
<b>MONEY MARKET FUND</b>				
Federated US Treasury Cash Reserve Fund Class I	20,328,759	<u>\$ 20,328,759</u>	<u>\$ 20,328,759</u>	<u>100.00 %</u>

\* Share data not applicable.

See accompanying Notes to Financial Statements.

**ST. FRANCIS XAVIER INVESTMENT CORP.**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2020**

	Shares	Cost	Fair Value	Percentage of Fund
<b>FIXED INCOME FUND</b>				
<b>Mutual Funds</b>				
Baird Intermediate Bond Fund	587,987	\$ 6,454,831	\$ 6,914,731	28.31 %
Blackrock Strategic Income	240,556	2,454,010	2,371,880	9.71
Pimco Moderate Duration Fund	654,948	6,663,940	7,106,191	29.11
The Blackrock Global Long/Short	140,615	1,506,582	1,355,531	5.55
<b>Money Market Funds</b>				
Federated US Treasury Cash Reserve Fund Class I	992,152	992,152	992,152	4.06
<b>Bonds</b>				
Utilities	*	312,976	337,629	1.38
Financials	*	1,085,949	1,155,832	4.73
Industrials	*	1,849,731	1,946,849	7.97
Federal Agencies	*	1,061,642	1,104,189	4.52
State and Municipal	*	647,321	641,817	2.63
Foreign Obligations	*	469,188	494,564	2.03
Total Fixed Income Fund		<u>\$ 23,498,322</u>	<u>\$ 24,421,365</u>	<u>100.00 %</u>
<b>EQUITY FUND</b>				
<b>Mutual Funds</b>				
Baird Mid Cap Fund	230,653	\$ 3,099,747	\$ 5,517,211	11.26 %
Vanguard Institutional Index Fund	45,057	12,224,522	12,458,255	25.42
Vanguard Small Cap Index Fund	61,862	3,424,083	4,324,170	8.82
Oakmark International Fund #109	157,671	3,095,761	3,027,292	6.18
Invesco Equally-Weighted S&P 500	43,872	2,339,997	2,512,575	5.13
Christian Brothers Cuit International Equity Fund	33,502	1,500,000	1,468,079	3.00
WCM Focused International Growth Fund	122,120	1,425,780	2,414,306	4.93
Christian Brothers Cuit Core Equity Fund	76,225	5,322,186	5,534,714	11.30
DFA Emerging Markets Core	60,930	1,187,918	1,137,565	2.32
<b>Money Market Funds</b>				
Federated US Treasury Cash Reserve Fund Class I	1,477,518	1,477,518	1,477,518	3.02
<b>Common Stocks</b>				
Equinix, Inc.	385	158,759	270,386	0.55
Keysight Technologies, Inc.	2,373	66,592	239,151	0.49
Winnebago Industries	3,340	93,446	222,511	0.45
Agilent Technologies, Inc.	2,512	88,517	221,985	0.45
PGT Innovations, Inc.	14,000	252,347	219,520	0.45
Becton Dickinson & Co.	912	133,022	218,214	0.45
Mid-America Apartment Communities, Inc.	1,807	168,592	207,209	0.42

See accompanying Notes to Financial Statements.



**ST. FRANCIS XAVIER INVESTMENT CORP.**  
**SCHEDULE OF INVESTMENTS (CONTINUED)**  
**JUNE 30, 2020**

	Shares	Cost	Fair Value	Percentage of Fund
<b>Common Stocks (Continued)</b>				
Genpact Limited	5,550	\$ 143,387	\$ 202,686	0.41 %
Ross Stores, Inc.	2,316	75,455	197,416	0.40
Jacobs Energy Group, Inc.	2,322	91,023	196,906	0.40
Helen of Troy Limited	1,040	112,850	196,102	0.40
CBRE Group, Inc.	4,288	118,423	193,903	0.40
Laboratory Corporation	1,158	150,950	192,355	0.39
Alexandria Real Estate Equities, Inc.	1,129	136,381	183,180	0.37
TCF Financial Corporation	5,842	247,449	171,872	0.35
Colfax Corporation	5,950	138,372	166,005	0.34
First Republic Bank San Francisco	1,516	57,953	160,681	0.33
Schweitzer-Mauduit International	4,800	206,274	160,368	0.33
Euronet Worldwide, Inc.	1,644	50,330	157,528	0.32
East West Bancorp, Inc.	4,312	210,160	156,267	0.32
Firstcash, Inc.	2,300	183,232	155,204	0.32
Gildan Activewear, Inc.	9,770	236,704	151,337	0.31
American Eagle Outfitters, Inc.	13,820	241,325	150,638	0.31
Air Lease Corporation	5,122	208,535	150,023	0.31
Essent Group Limited	4,000	145,111	145,080	0.30
SEI Investments Company	2,578	74,394	141,738	0.29
Syneos Health, Inc.	2,400	113,369	139,800	0.29
Glacier Bancorp, In	3,870	155,752	136,572	0.28
Hexcel Corporation	2,969	90,297	134,258	0.27
Integra Lifesciences Holdings	2,850	164,495	133,922	0.27
Roper Technologies, Inc.	344	40,926	133,562	0.27
Hill Rom Holdings	1,210	111,624	132,834	0.27
Carter, Inc.	1,573	102,823	126,941	0.26
H B Fuller Company	2,820	145,194	125,772	0.26
Malibu Boats, Inc.	2,420	78,092	125,719	0.26
<b>Industry Groupings</b>				
Consumer Discretionary	*	495,958	334,380	0.68
Energy	*	98,671	75,815	0.15
Financials	*	758,406	535,863	1.09
Health Care	*	145,809	69,084	0.14
Industrials	*	1,463,183	1,382,745	2.82
Information Technology	*	213,740	304,627	0.62
Materials	*	372,774	408,274	0.83
Total Equity Fund		<u>\$ 43,438,208</u>	<u>\$ 49,000,118</u>	<u>100.00 %</u>
<b>MONEY MARKET FUND</b>				
Federated US Treasury Cash Reserve Fund Class I	14,639,775	<u>\$ 14,639,775</u>	<u>\$ 14,639,775</u>	<u>100.00 %</u>

\* Share data not applicable.

See accompanying Notes to Financial Statements.

**ST. FRANCIS XAVIER INVESTMENT CORP.  
STATEMENTS OF OPERATIONS  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>REVENUES</b>		
Investment Income	\$ 866,969	\$ 1,099,849
Investment Management Fees	250,944	222,908
Total Revenues	1,117,913	1,322,757
<b>EXPENSES</b>		
Investment Management	128,052	127,852
General and Administrative	155,380	194,260
Total Expenses	283,432	322,112
<b>NET INVESTMENT INCOME</b>	834,481	1,000,645
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net Realized Gain on Investments	5,616,616	9,048,666
Change in Net Unrealized Gain (Loss) on Investments	14,337,095	(9,447,085)
Total Realized and Unrealized Gain (Loss) on Investments	19,953,711	(398,419)
<b>NET INCREASE IN NET ASSETS FROM OPERATIONS</b>	<b>\$ 20,788,192</b>	<b>\$ 602,226</b>

See accompanying Notes to Financial Statements.

**ST. FRANCIS XAVIER INVESTMENT CORP.  
STATEMENTS OF CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 88,067,133	\$ 89,848,044
Net Increase in Net Assets from Operations	20,788,192	602,226
Add: Subscriptions	10,314,350	4,073,817
Less: Redemptions	(4,349,717)	(6,456,954)
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 114,819,958</b>	<b>\$ 88,067,133</b>

*See accompanying Notes to Financial Statements.*

**ST. FRANCIS XAVIER INVESTMENT CORP.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 1 PRINCIPAL ACTIVITY**

St. Francis Xavier Investment Corp. (St. Francis Xavier Corp.) is a nonprofit corporation organized under the laws of the state of Wisconsin for the purpose of managing investments for the Catholic entities within the Diocese of Green Bay (Diocese). Investors have signed agreements authorizing St. Francis Xavier Corp. to manage their assets responsibly and in accordance with Catholic values. This agreement can be terminated with 30 days advance written notice.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions**

Net assets available for use in general operation and not subject to donor (or certain grantor) restrictions.

**Net Assets With Donor Restrictions**

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

St. Francis Xavier Corp. had only net assets without donor restrictions as of June 30, 2021 and 2020.

**Interest in Pooled Cash**

St. Francis Xavier Corp. participates in a pooled cash account with an interdiocesan entity. St. Francis Xavier Corp.'s cash balance sweeps daily to the related party pooled cash account. The total of the pooled cash account, at times, may exceed federally insured limits. St. Francis Xavier Corp. has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**ST. FRANCIS XAVIER INVESTMENT CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments**

Investments are recorded at fair value. Fair value of investments in mutual or pooled funds is based on their net asset or unit value. The net asset or unit value (NAV) of the shares of each fund was determined as of the close of regular session trading on the New York Stock Exchange (NYSE) (usually 4:00 p.m. CST) each day the NYSE was open for regular session trading. Fair value of common stock is based on the value as of the close of regular session trading on the NYSE each day the NYSE was open for regular session trading. Corporate bonds and US Treasury obligations are valued based on an evaluation model. The NAV of each fund or unitized manager account (the Fund) was determined by dividing the value of each Fund's securities and other assets less its liabilities by the outstanding number of investor units.

**Revenue Recognition**

Investment management fees are recognized in the period the management activities are performed and represent fees charged to investors. Gross revenues from investment management fees totaled \$250,944 and \$222,908 during the years ended June 30, 2021 and 2020, respectively.

Investment income is recognized in the period it is earned. Securities transactions are recorded on a trade date basis.

**Investment Management Expense**

Investment management expense includes custodial fees, unitization fees, and the fee to the investment consultant. Individual investment manager fees are deducted prior to computing the unitized net asset value of the unitized manager accounts.

**Functional Expenses**

All of St. Francis Xavier Corp.'s expenses are considered management and general expenses.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Tax-Exempt Status**

St. Francis Xavier Corp. has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) covered by the U.S. Internal Revenue Service group exemption letter of the United States Conference of Catholic Bishops and corresponding provisions of state law and, accordingly, is not subject to federal or state income taxes.

**ST. FRANCIS XAVIER INVESTMENT CORP.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

In preparing these financial statements, St. Francis Xavier Corp. has evaluated events and transactions for potential recognition or disclosure through September 29, 2021, the date the financial statements were available to be issued.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

St. Francis Xavier Corp. regularly monitors liquidity required to meet its operating needs, liabilities, and other obligations as they become due. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

	<u>2021</u>	<u>2020</u>
Interest in Pooled Cash	\$ 31,760	\$ 5,875
Investment Securities Held for Investors	114,803,198	88,061,258
Subtotal	<u>114,834,958</u>	<u>88,067,133</u>
Less: Net Assets Available for Investors	<u>(114,519,267)</u>	<u>(87,827,056)</u>
Total Financial Assets Available for General Expenditure	<u>\$ 315,691</u>	<u>\$ 240,077</u>

**NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS**

As defined by current authoritative language, fair value is the price that would be received to sell an asset or paid transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, St. Francis Xavier Corp. uses various valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible, St. Francis Xavier Corp. attempts to utilize valuation methods that maximize the use of observable inputs and minimizes the use of unobservable inputs.

The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets measured, reported, and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

*Level 1* – Quoted market prices in active markets for identical assets or liabilities.

*Level 2* – Observable market based inputs or unobservable inputs that are corroborated by market data.

*Level 3* - Unobservable inputs that are not corroborated by market data.

**ST. FRANCIS XAVIER INVESTMENT CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

The tables below present the balances of assets measured at fair value on a recurring basis.

	June 30, 2021			Total
	Level 1	Level 2	Level 3	
Investment Securities:				
Fixed Income Fund:				
Mutual Funds	\$ 26,173,031	\$ -	\$ -	\$ 26,173,031
Money Market Funds	-	1,162,710	-	1,162,710
Bonds	-	5,590,059	-	5,590,059
Equity Fund:				
Mutual Funds	48,004,282	-	-	48,004,282
Money Market Funds	-	1,377,107	-	1,377,107
Common Stocks	12,167,250	-	-	12,167,250
Money Market Fund	-	20,328,759	-	20,328,759
Total Investments	<u>\$ 86,344,563</u>	<u>\$ 28,458,635</u>	<u>\$ -</u>	<u>\$ 114,803,198</u>

	June 30, 2020			Total
	Level 1	Level 2	Level 3	
Investment Securities:				
Fixed Income Fund:				
Mutual Funds	\$ 17,748,333	\$ -	\$ -	\$ 17,748,333
Money Market Funds	-	992,152	-	992,152
Bonds	-	5,680,880	-	5,680,880
Equity Fund:				
Mutual Funds	38,394,167	-	-	38,394,167
Money Market Funds	-	1,477,518	-	1,477,518
Common Stocks	9,128,433	-	-	9,128,433
Money Market Fund	-	14,639,775	-	14,639,775
Total Investments	<u>\$ 65,270,933</u>	<u>\$ 22,790,325</u>	<u>\$ -</u>	<u>\$ 88,061,258</u>

The following methods and assumptions were used to estimate the fair value for each investment measured at fair value:

The fixed income and equity funds consist of mutual funds, common stocks, bonds, and money market funds. The mutual funds and common stocks are measured at fair value using quoted market prices. They are classified as Level 1 as they are traded in an active market for which closing prices are readily available. The bonds and debentures are classified as Level 2 as they are valued on a valuation model. The money market funds are valued at amortized cost which approximates fair value. As such, they are classified as Level 2 investments.

**ST. FRANCIS XAVIER INVESTMENT CORP.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**NOTE 5 INVESTMENTS**

Investors may elect to invest in any of the three funds maintained by St. Francis Xavier Corp. All financial assets are held by St. Francis Xavier Corp. in custody accounts by BMO Harris Bank, N.A. The Equity and Fixed Income Funds are actively managed by third-party investment managers or within index funds as indicated in the schedules of investments.

The average annual return is calculated for the investor balances taken as a whole. An individual investor's return and ratios may vary based on participation in different funds and timing of investment transactions.

Total return is measured by comparing the ending value of the investors' accounts to the beginning value of such investors' accounts adjusted for cash flows related primarily to subscriptions or redemptions during the period. Returns are linked based on the timing of cash flows during the period. An individual investors' return may vary from these returns based on their timing of transactions and the investment options chosen.

The net investment income and the expense ratios for individual investors may vary from these ratios based on the timing of transactions.

**Fixed Income Fund**

The fixed income fund is intended to be utilized by intermediate and long-term money. The target allocation of the fixed income fund is:

Intermediate Fixed Income	95 %
Cash	5
Total	<u>100 %</u>

Whenever the actual allocation varies from the target allocation by more than 5%, the fund is rebalanced.

As of June 30, 2021 and 2020, there were 412,838.792 and 311,102.721 units outstanding in the fixed income fund with a net asset value per unit of \$79.777 and \$78.499, respectively.



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**NOTE 5 INVESTMENTS (CONTINUED)**

The per-unit detail of investment return, realized and unrealized gains and losses and expenses was not readily available.

Following is the average annual return of the fixed income fund for the indicated time periods ended June 30:

	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
2021	1.6 %	4.4 %	2.8 %
2020	5.8 %	3.6 %	2.9 %

The weighted expense ratio for the fixed income funds was 0.95% for the years ended June 30, 2021 and 2020.

**Equity Fund**

The equity fund is intended to be utilized by long-term money. No investor is allowed to invest more than 70% of their funds in the equity fund. The target allocation of the equity fund is:

Small-Cap Domestic Stocks	20 %
Mid-Cap Domestic Stocks	20
Large-Cap Domestic Stocks	40
International Stocks	17
Cash and Equivalents	3
Total	<u><u>100 %</u></u>

Whenever the actual allocation varies from the target allocation by more than 5%, the fund is rebalanced.

As of June 30, 2021 and 2020, there were 276,300.403 and 317,818.831 units outstanding in the equity fund with a net asset value per unit of \$222.709 and \$154.176, respectively.

The per-unit detail of investment return, realized and unrealized gains and losses and expenses was not readily available.

Following is the average annual return of the equity fund for the indicated time periods ended June 30:

	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
2021	44.4 %	13.8 %	14.3 %
2020	(3.4)%	4.4 %	5.2 %

The weighted expense ratio for the equity fund was 0.83% and 0.85% for the years ended June 30, 2021 and 2020, respectively.

**ST. FRANCIS XAVIER INVESTMENT CORP.  
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**NOTE 5 INVESTMENTS (CONTINUED)**

**Money Market Fund**

The money market fund is intended to be utilized by intermediate and short-term money. The entire balance is invested in the Federated US Treasury Cash Reserve Fund Class I at June 30, 2021 and 2020.

As of June 30, 2021 and 2020, there were 20,328,759 and 14,639,775 units outstanding in the money market fund, respectively, with a net asset value per unit of \$1.

Following is the average annual return for the indicated time periods ended June 30:

	One Year	Three Years	Five Years
2021	0.01 %	1.13 %	0.98 %
2020	1.26 %	1.51 %	0.99 %

The weighted expense ratio for the money market fund was 0.18% for each of the years ended June 30, 2021 and 2020.

St. Francis Xavier Corp. considers money market funds to be investments. Additional investments consist of stocks, bonds, and other investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the financial statements.

**NOTE 6 INTERDIOCESAN TRANSACTIONS**

St. Francis Xavier Corp. received various revenues from and incurred various charges to other diocesan entities during the years ended June 30, 2021 and 2020. All activity is settled between the entities; therefore, there are no accounts receivable or accounts payable between the entities as of June 30, 2021 and 2020.

Total revenues from other diocesan corporations were \$89,139 and \$95,307 for the years ended June 30, 2021 and 2020, respectively, and related primarily to fees charged for investment management services. These amounts include each entity's proportionate share of the fee retained by St. Francis Xavier Corp., and the fees paid to the individual investment managers, custodial fees, and unitization fees. The portion of these fees remitted directly to the individual investment managers is shown net on the statements of operations. The revenue from interdiocesan transaction constitutes a substantial portion of the St. Francis Xavier Corp.'s investment management fees for the years ended June 30, 2021 and 2020, respectively.

Total expenses paid to other diocesan corporations were \$133,393 and \$186,405 for the years ended June 30, 2021 and 2020, respectively, the majority of which relates to administrative and support services provided by St. Therese of the Little Flower, Inc.