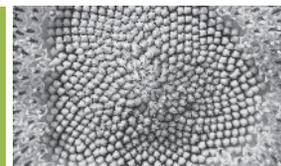


▶ CUIT SMALL CAP EQUITY INDEX FUND

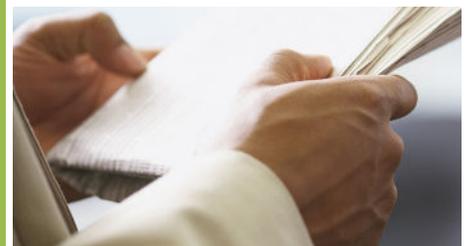
# Benchmark Change to S&P SmallCap 600 Index

November 2017

*On November 1, 2017, the CUIT Small Cap Equity Index Fund benchmark changed from the Russell 2000 Index to the S&P SmallCap 600 Index. We believe the change offers prospects for improved performance with lower volatility.*



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## HISTORICAL PERFORMANCE COMPARISON

While it has been widely documented in financial literature that the Russell 2000 Index is the most widely utilized measure of overall small-cap stock performance in the U.S. equity market — the table below shows how the S&P SmallCap 600 Index has outperformed the Russell 2000 Index over extended periods (i.e., 5, 10, or 20 years).

### RUSSELL 2000 INDEX VS S&P SmallCap 600 INDEX

*Annualized returns for periods ended June 30, 2017*

TRAILING PERIOD	RUSSELL 2000	S&P 600	TRAILING PERIOD	RUSSELL 2000	S&P 600
1 Year	24.6%	22.5%	10 Years	6.9%	8.4%
3 Years	7.4%	9.3%	15 Years	9.2%	10.4%
5 Years	13.75	15.5%	20 Years	8.0%	9.8%

Source: FactSet

And the chart on the next page shows the consistency with which the S&P SmallCap 600 Index outperformed the Russell 2000 Index when measured on an annualized three-year basis at each month-end since 1997. In 220 observations out of 235 (more than 93%), the S&P SmallCap 600 was ahead of the Russell 2000 when measured over the trailing 36 months.

## Summary

- The investment objective of the CUIT Small Cap Equity Index Fund (Inception: 2006) is to replicate the performance of U.S. small-cap stocks.
- The CUIT Small Cap Equity Index Fund benchmark changed to the S&P SmallCap 600 Index on November 1, 2017.
- While the Russell 2000 Index is the most widely used measure of small-cap stock performance, the S&P SmallCap 600 Index has outperformed it over extended periods.
- In addition to outperformance, the S&P SmallCap 600 Index has been less volatile and particularly favorable in down markets.
- Two primary drivers of the consistent outperformance by the S&P SmallCap 600 Index are the financial viability test and reconstitution process.

**ROLLING THREE YEAR RETURN DIFFERENTIAL S&P 600 – RUSSELL 2000**



Source: FactSet

**OTHER PERFORMANCE ADVANTAGES OF THE S&P 600**

In addition to the annualized return advantage of the S&P SmallCap 600, the index appears to be less volatile in general and particularly favorable in more severe down markets. Using quarterly returns for the past 10- and 20-year periods respectively, the annualized

standard deviation for the S&P SmallCap 600 is 19.9% over both periods while the Russell 2000 shows volatility of 20.4% and 21.1%. The S&P SmallCap 600 also fares better in significant down markets. Again using quarterly data for the past 20 years, the S&P SmallCap 600 demonstrates consistently higher returns over the Russell 2000.

**AVERAGE 12-MONTH TRAILING RETURNS SINCE Q2/1998 IN UP & DOWN MARKETS**

Data for periods ended June 30, 2017

S&P 600	RUSSELL 2000		NUMBER OF QUARTERS
-24.08%	-27.49%	R2000 < -20%	6
-13.03%	-15.71%	-20% <R2000 <-10%	6
-0.22%	-4.79%	-10% <R2000 <0%	14
7.14%	4.79%	0% <R2000 <10%	13
17.65%	16.12%	10% <R2000 <20%	14
24.12%	24.36%	20% <R2000 <30%	13
39.53%	41.92%	R2000 > 30%	10

Source: FactSet

Indices in each of the down market brackets — the S&P SmallCap 600 Index also outperforms in up markets, as high as nearly 20% on an annualized basis. Only when the small cap market is soaring at rates above 30% on an annualized basis does the Russell 2000 Index show significantly higher returns.

## CONSTRUCTION AND RE-BALANCING OF SMALL CAP INDICES

Both indices cover a large, diversified mix of securities with similar characteristics in a similar band of small capitalization companies. Our research revealed two primary drivers of the consistent outperformance by the S&P SmallCap 600: 1) S&P's requirement that eligible companies pass a "financial viability" test, as measured by positive as-reported earnings over the most recent one and four quarters summed together; and 2) S&P's index reconstitution occurs only on an "as needed" basis, and does not go through the annual process Russell does which is predictable and extensive, and creates the opportunity for market participants to "front run" some trades. What this means is that these two distinguishing attributes tend to give the S&P SmallCap 600 Index a higher "quality" and "defensive" profile relative to the Russell 2000 Index. This is because the Russell 2000 Index includes more of the higher-growth, small companies very early on in their life cycle when earnings are near zero or even negative. Both attributes put the Russell 2000 at a disadvantage relative to the S&P SmallCap 600 in terms of performance, both historically and going forward.

## CONCLUSION

We believe the S&P SmallCap 600 Index has the potential to continue outperforming the Russell 2000 Index, when measured over complete market cycles.

We do not expect any significant change to the sector exposures, the market-cap ranges or other portfolio characteristics and risk exposures within the Fund. In sum, the benchmark change is driven by the prospects for improved performance in the long-run, and lower volatility, with little or no change to the target asset class.

### *Important Information*

*The CUIT Funds are exempt from registration with the Securities and Exchange Commission and therefore are exempt from regulatory requirements applicable to registered mutual funds. All performance (including that of the comparative indices) is reported net of any fees and expenses, but inclusive of dividends and interest. Past performance is not indicative of future performance. The return and principal value of the Fund(s) will fluctuate and, upon redemption, shares in the Fund(s) may be worth less than their original cost. Complete information regarding each of the Funds, including certain restrictions regarding redemptions, is contained in disclosure documents which can be obtained by calling 800-592-8890. Shares in the CUIT Funds are offered exclusively through CBIS Financial Services, Inc., a broker-dealer subsidiary of CBIS. This is for informational purposes only and does not constitute an offer to sell any investment. The Funds are not available for sale in all jurisdictions. Where available for sale, an offer will only be made through the prospectus for the Funds, and the Funds may only be sold in compliance with all applicable country and local laws and regulations. "S&P 600" is a registered trademark of McGraw-Hill. Neither McGraw-Hill nor Standard & Poor's is a sponsor of, or affiliated in any way with, the CUIT Small Cap Equity Index Fund and neither endorses the CUIT Small Cap Equity Index Fund.*