CBIS
Christian Brothers Investment Services

4Q 2014

Market Overview

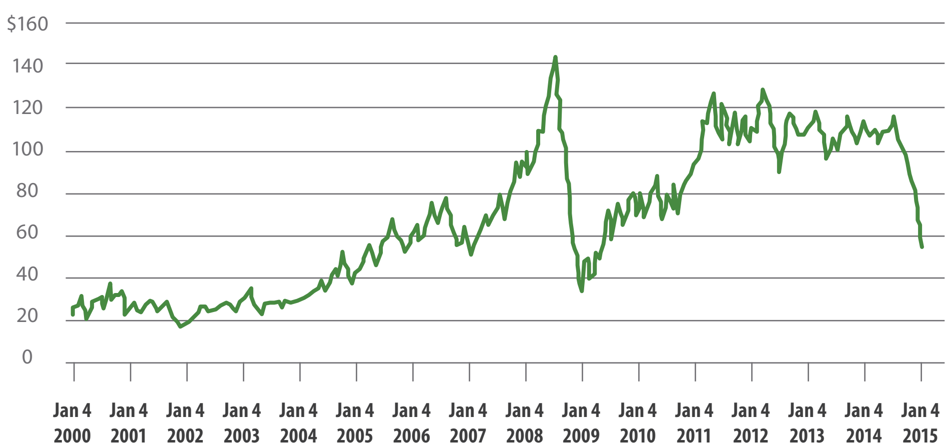
MARKETS REVIEW

At the end of Q3, we discussed global cross-currents evident in financial markets and across economies. The fourth quarter can be described as white water rapids.

The U.S. economy has clearly distanced itself from most other major economies. Real U.S. GDP was reported as up 5.0% annualized for Q3, following a 4.6% advance in Q2. Only Q1 2014 was lackluster, with real GDP down -2.1%, although most of the decline was attributed to very cold weather in the beginning of the year. The employment picture continues to improve and inflation remains muted.

The big story that characterized market events in late 2014 was the dramatic decline in the price of oil. Spot prices for crude oil declined 50%, from $106 per barrel in early summer to just above $50 at yearend, with most of the decline occurring in Q4.

OIL: THE GLOBAL WILD CARD (BRENT CRUDE PRICE)



Market Summary

- Investors remained confident about U.S. economic growth
- Divergence in U.S. growth rates versus the rest of the world caused world equity markets to disconnect
- European and Japanese economic indicators disappointed
- Strengthening U.S. dollar contributed to negative international returns for U.S. investors
- Small cap stocks rebounded during the quarter, but lagged larger cap sectors
- Long end of the yield curve rallied in a flight to quality
- U.S. economy appears to have found traction for sustainable growth
- U.S. is now one of the higher-yielding countries in the world

Financial media and pundits cited a number of theories for the decline — a slowing Chinese economy and generally slower growth in many emerging markets, a Eurozone economy slipping back into recession, the impact of fast growing domestic U.S. shale oil production, and even political intrigue in the form of Saudi refusal to curb production as part of a U.S./Saudi conspiracy to weaken Iran and Russia. While cheaper gasoline is a welcome relief for the U.S. consumer, the price collapse certainly brought havoc to the Russian economy, which is highly dependent upon energy exports. The Russian ruble declined approximately 40% versus the U.S. dollar from October through yearend, forcing a dramatic intervention by the Russian central bank, which raised its base rate from 10% to 17% in mid December.

Strong 4Q U.S. Equity Performance

Despite the many uncertainties surrounding the oil price collapse, U.S. equity markets finished the year with a strong fourth quarter. The S&P 500 gained 4.9%, the broader Russell 3000 returned 5.2% and small-cap stocks, which underperformed larger-caps for most of the year, jumped 9.7%. Full-year 2014 results were also strong, particularly following 2013's 30%+ gains. For the year, the S&P 500 returned 13.7%, the sixth straight year of positive returns and the third straight of double-digit gains.

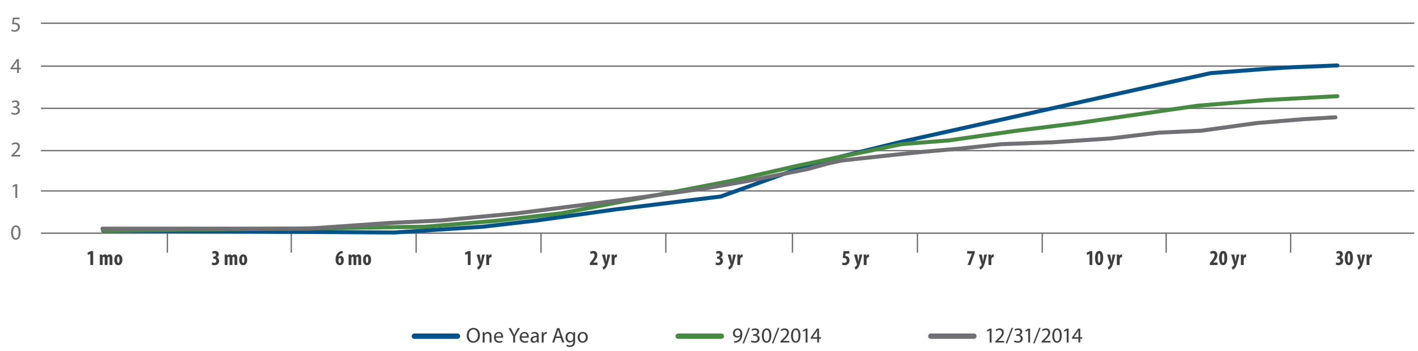
International equity returns were less robust, particularly for U.S. investors given the dollar's broad-based strength. In dollar-terms, the MSCI EAFE declined -3.5% for the fourth quarter bringing full-year loss to -4.5%.

CAPITAL MARKETS REVIEW (EQUITIES 12/31/14)

INDEX	3 MO.	12 MO.
S&P 500	4.93	13.63
Russell 1000 Value	4.98	13.40
Russell 1000 Growth	4.78	13.00
Russell 2000 Value	9.40	4.20
Russell 2000 Growth	10.06	5.58
MSCI EAFE (USD / Local Currency)	-3.53/1.81	-4.48/6.38
MSCI Emerging Markets (USD / Local Currency)	-4.44/.08	-1.82/5.57

Reduced inflation expectations from the oil price collapse drove bond yields lower during the quarter. The Barclays U.S. Aggregate Index returned 1.8% bringing the full year return to a healthy 6.0%. While respectable given the low-yield environment, it was dwarfed by the 8.6% return by the Barclays U.S. Aggregate Long Government Index (which gained 25.1% for the year on falling Treasury yields at longer maturities).

TREASURY YIELD CURVE (FIXED-INCOME 12/31/14)



FUND PERFORMANCE

2014 will go down in history as one of the worst years ever for active managers. Estimates point that the benchmarks outperformed approximately 70% of active growth and value strategies last year. Our equity Funds also fell prey to the difficulty of active management last year. While the Growth and International Equity Funds outperformed for the Q4, they failed to outpace benchmarks for the full calendar year. The Value Equity Fund faced significant headwinds for both the quarter and the full year. Despite the fixed-income portfolios being conservatively positioned throughout the year, they modestly underperformed their benchmarks for the year, net of fees. The Short Bond Fund was the exception, outperforming its benchmark for the quarter and full year.

However, CBIS Fund performance remains competitive over the trailing three-year and five-year periods. The managers are now wary of pockets of overvaluation and are positioning portfolios to take advantage of increased volatility. We are confident that greater volatility and widening dispersion of individual stock returns will provide the managers with a more favorable environment for relative performance.

CBIS FUNDS PERFORMANCE (12/31/14)

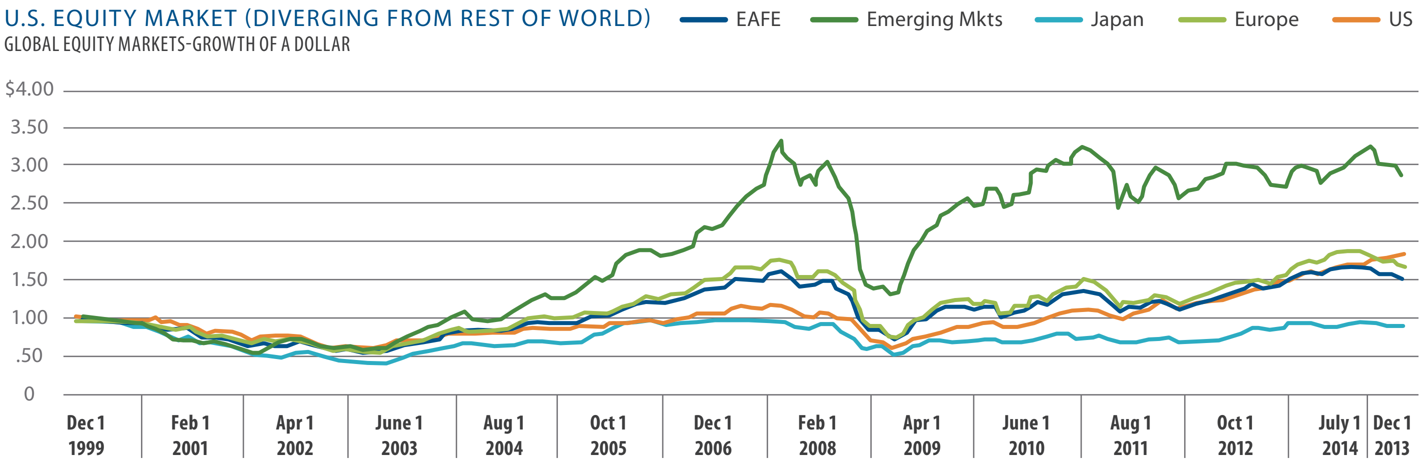
INVESTMENT OPTION/BENCHMARK	3 MO.	1 YR	5 YR	SINCE INCEPTION	SINCE DATE
CUIT Money Market Fund +	0.00	0.05	0.02	3.54	Jan 1985
Merrill Lynch 91-Day T-Bill Index	0.00	0.04	0.09	4.01	
CUIT Short Bond Fund	0.31	1.37	2.16	5.57	Jan 1985
Merrill Lynch 1-3yr Treasury Index **	0.17	0.62	1.06	5.45	
CUIT Opportunistic Bond Fund Class A	0.26	1.23	*	0.58	May 2013
CUIT Opportunistic Bond Fund Class B	0.20	1.27	*	0.67	May 2013
Barclays 1-5 Year US Government/Credit Index	0.41	1.42	*	0.69	
CUIT Inter. Diversified Bond Fund Class A	1.52	5.65	4.82	6.29	Jan 1995
CUIT Inter. Diversified Bond Fund Class B	1.63	5.81	4.98	5.24	Jan 2003
Barclays Capital Aggregate Bond Index	1.79	5.97	4.45	6.20	
CUIT Balanced Fund	3.07	8.80	11.28	9.12	Dec 1983
60% S&P 500/ 40% BC Agg***	3.67	10.62	11.18	8.90	
CUIT Value Equity Fund Class A	3.38	9.57	15.17	10.06	Jan 1995
CUIT Value Equity Fund Class B	3.49	9.97	15.57	10.36	Jan 2003
Russell 1000 Value Index	4.98	13.45	15.42	10.51	
CUIT Core Equity Index Fund Class A	5.46	13.99	15.07	9.64	Jan 1995
CUIT Core Equity Index Fund Class B	5.49	14.19	15.30	4.84	Mar 2000
Standard & Poor's 500 Index ++	4.93	13.69	15.46	9.86	
CUIT Growth Fund Class A	5.34	11.65	14.47	8.36	Jan 1991
CUIT Growth Fund Class B	5.43	12.06	14.83	8.46	Jan 2003
Russell 1000 Growth Index ****	4.78	13.05	15.81	9.42	
CUIT Small Cap Equity Index Fund Class A	9.69	4.46	14.88	6.39	Jan 2007
CUIT Small Cap Equity Index Fund Class B	9.74	4.81	15.26	6.68	Jan 2007
Russell 2000 Index	9.73	4.90	15.55	6.91	
CUIT International Equity Fund Class A	(2.59)	(5.11)	6.17	5.91	Jan 1995
CUIT International Equity Fund Class B	(2.47)	(4.72)	6.60	1.45	Mar 2000
MSCI EAFE-Gross Index	(3.53)	(4.49)	5.81	5.42	

OUTLOOK

The consensus among economists is that the U.S. economy is generating self-reinforcing growth momentum. This is one factor that has allowed the Federal Reserve to stop its monthly bond buying program, although the size of its balance sheet is expected to remain at elevated levels for years to come. While the level of longer-term yields will depend on the strength of economic growth and evolution of inflation expectations, the market consensus expectation seems to be that the Fed will begin to slowly raise short rates later in 2015. Yet a dramatic rise is unlikely given the anemic to recessionary conditions in Europe and Japan. Moreover, China's investment boom is expected to slow, keeping its growth rate below that of recent years.

Global central-bank liquidity will probably continue to fuel equity markets, as it has periodically since the 2009 rebound from the financial crisis and steadily since early 2012. It seems almost certain that Japan will soon be joined by the European Central Bank (ECB) in pursuing aggressive quantitative easing policies, picking up the baton from the now-dormant U.S. Fed. As a result, while U.S. equities certainly appear long overdue for correction, it's probable that mid- to high-single-digit returns will be the outcome over the balance of 2015. Non-U.S. markets should also benefit from global liquidity, although a key variable for U.S. investors will be the dollar. If it continues to strengthen, international returns will be reduced.

U.S. EQUITY MARKET (DIVERGING FROM REST OF WORLD)
GLOBAL EQUITY MARKETS-GROWTH OF A DOLLAR



Important Information

** Data not available.*

\+ The CUIT Money Market Fund changed its investment approach from overnight repurchase agreements, to actively managed effective 8/1/01.

*** Benchmark Index: ML 1-3 Yr Treasury Index effective 7/1/01; ML 1-5 Yr G/C Index effective 4/1/98; 50% LB Intermediate Government /50% LB 1-3 Yr Government effective 5/1/96; LB 1-3 Yr Government in prior periods.*

++ "S&P 500" is a registered trademark of McGraw-Hill Companies, Inc. ("McGraw-Hill"). The CUIT Core Equity Index Fund is not sponsored, endorsed, sold or promoted by Standard & Poor's and Standard & Poor's makes no representation regarding the advisability of investing in the fund.

**** Benchmark Index: 60% S&P 500/40% BC Aggregate effective 1/2/03; 60% S&P 500/30% LB Aggregate/10% T Bill effective 4/1/91; 60% LB Aggregate/40% S&P 500 in prior periods.*

***** Benchmark Index: Russell 1000 Growth Index effective June 1, 2000; prior to this date, historical returns reflect Russell Mid-Cap Growth Index.*

Active share is defined as the sum of the absolute value of the differences between the weights of the securities in a portfolio and the weights of securities in the fund's benchmark, divided by two.

The CUIT Money Market Fund is not guaranteed by the U.S. Government and there can be no assurance that a stable net asset value of $1.00 can be maintained. Past performance is not indicative of future performance.

The comparative indices represent unmanaged or average returns on various financial assets which can be compared to the Funds' total returns for the purpose of measuring relative performance, but are not necessarily intended to parallel the risk or investment approach of your investments. The indices do not incur taxes or expenses but are inclusive of dividends and interest. Comparative index information is provided by certain third parties; information regarding composition of indexes may be obtained from provider or CBIS.

The CUIT Funds are exempt from registration with the Securities and Exchange Commission and therefore are exempt from certain regulatory requirements applicable to registered mutual funds. Performance for periods of one year and longer are annualized. All Fund performance, except where otherwise noted, is reported net of any fees and expenses, but inclusive of dividends and interest. The return and principal value of the Funds will fluctuate and, upon redemption, shares in the Funds may be worth less than their original cost. CBIS offers pooled funds on behalf of a not-for-profit investment trust, Catholic United Investment Trust (CUIT). Offering Memoranda / Disclosure Statements, which contain further information regarding each of the Funds, including certain restrictions regarding redemptions, are available by calling 800-592-8890. Such information should be carefully considered prior to investing in the Funds. Shares in the CUIT Funds are offered exclusively through CBIS Financial Services, Inc., a broker-dealer subsidiary of CBIS.