

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

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

**ST. FRANCIS XAVIER INVESTMENT CORP.
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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, 2019 and 2018, 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, 2019 and 2018, 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 30, 2019

**ST. FRANCIS XAVIER INVESTMENT CORP.
STATEMENTS OF ASSETS AND LIABILITIES
JUNE 30, 2019 AND 2018**

	2019	2018
ASSETS		
Interest in Pooled Cash	\$ 2,686	\$ 29,358
Investment Securities Held for Investors, at Fair Value:		
Fixed Income Fund	24,311,899	23,875,835
Equity Fund	49,596,752	47,949,440
Money Market Fund	15,936,707	17,140,493
Total Investment Securities	89,845,358	88,965,768
 Total Assets	 \$ 89,848,044	 \$ 88,995,126
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ -	\$ 600
NET ASSETS		
Available for Investors:		
Fixed Income Fund	24,311,899	23,875,835
Equity Fund	49,596,752	47,949,440
Money Market Fund	15,697,445	16,929,670
Total Available for Investors	89,606,096	88,754,945
 Net Assets Without Donor Restrictions	 241,948	 239,581
Total Net Assets	89,848,044	88,994,526
 Total Liabilities and Net Assets	 \$ 89,848,044	 \$ 88,995,126

See accompanying Notes to Financial Statements.

ST. FRANCIS XAVIER INVESTMENT CORP.
SCHEDULE OF INVESTMENTS
JUNE 30, 2019

	Shares	Cost	Fair Value	Percentage of Fund
FIXED INCOME FUND				
Mutual Funds				
Baird Intermediate Bond Fund	573,773	\$ 6,293,145	\$ 6,437,738	26.48 %
Blackrock Strategic Income	232,816	2,377,750	2,307,209	9.49
Pimco Moderate Duration Fund	765,100	7,738,754	7,918,786	32.56
The Blackrock Global Long/Short	135,533	1,456,161	1,353,970	5.57
Money Market Funds				
Federated US Treasury Cash Reserve Fund Class I	1,035,013	1,035,013	1,035,013	4.26
Bonds				
Utilities	*	320,475	334,768	1.38
Financials	*	1,082,790	1,100,742	4.53
Industrials	*	1,260,880	1,285,919	5.29
Federal Agencies	*	1,469,978	1,466,758	6.03
State and Municipal	*	725,984	716,370	2.95
Foreign Obligations	*	346,181	354,626	1.46
Total Fixed Income Fund		<u>\$ 24,107,111</u>	<u>\$ 24,311,899</u>	<u>100.00 %</u>
EQUITY FUND				
Mutual Funds				
Baird Mid Cap Fund	231,811	\$ 3,070,531	\$ 5,199,518	10.48 %
Vanguard Institutional Index Fund	5,468	1,233,702	1,456,261	2.94
Vanguard Small Cap Index Fund	61,001	3,361,552	4,580,575	9.24
Oakmark International Fund #109	154,494	3,018,452	3,564,176	7.19
Invesco Equally-Weighted S&P 500	41,874	2,214,104	2,600,364	5.24
Schwab Fundamental US Large CO Index	90,938	1,375,644	1,539,577	3.10
WCM Focused International Growth Fund	121,843	1,420,726	2,118,856	4.27
Christian Brothers Cuit Core Equity Fund	26,794	1,622,560	1,833,794	3.70
Invesco Oppenheimer International Fund	40,383	1,376,834	1,655,281	3.34
DFA Emerging Markets Core	59,265	1,155,633	1,240,423	2.50
Money Market Funds				
Federated US Treasury Cash Reserve Fund Class I	1,956,478	1,956,478	1,956,478	3.94
Common Stocks				
Air Lease Corporation	10,514	423,042	434,649	0.88
Apple, Inc.	1,916	279,017	379,215	0.76
Alphabet, Inc. Class A	328	59,282	355,158	0.72
Euronet Worldwide, Inc.	1,965	62,026	330,592	0.67
Mastercard Inc.	1,200	19,733	317,436	0.64
Post Holdings, Inc.	3,040	147,091	316,069	0.64
Keysight Technologies, Inc.	3,385	97,771	304,007	0.61

See accompanying Notes to Financial Statements.

ST. FRANCIS XAVIER INVESTMENT CORP.
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2019

Common Stocks (Continued)

Mohawk Industries, Inc.	1,959	\$ 298,861	\$ 288,894	0.58 %
Jacobs Engineer Group, Inc.	3,403	145,921	287,179	0.58
Becton, Dickinson and Company	1,112	163,833	280,235	0.57
Marvell Technology Group Limited	11,600	146,959	276,892	0.56
Ross Stores, Inc.	2,779	105,290	275,454	0.56
First Data Corporation	9,800	194,916	265,286	0.53
CBRE Group, Inc.	5,163	151,991	264,862	0.53
Danaher Corporation	1,843	50,387	263,402	0.53
Mid-America Apartment Communities, Inc.	2,180	205,573	256,717	0.52
Genpact Limited	6,669	177,588	254,022	0.51
Winnebago Industries	6,530	223,336	252,385	0.51
East West Bancorp, Inc.	5,141	255,679	240,445	0.48
Laboratory Corporation	1,382	181,746	238,948	0.48
Chubb Ltd.	1,621	209,184	238,757	0.48
Fortive Corporation	2,871	124,499	234,044	0.47
Alphabet, Inc. Class C	215	177,252	232,396	0.47
Equinix, Inc.	460	191,113	231,973	0.47
Target Corp.	2,650	194,735	229,517	0.46
JP Morgan Chase & Company	2,050	89,776	229,190	0.46
Agilent Technologies, Inc.	3,062	111,361	228,640	0.46
Booking Holdings, Inc.	120	207,049	224,965	0.45
Chevron Corporation	1,768	175,401	220,010	0.44
Royal Dutch Shell	3,381	217,103	220,002	0.44
Masco Corporation	5,500	153,504	215,820	0.44
McKesson Corp.	1,571	244,089	211,127	0.43
Borg Warner, Inc.	5,008	209,475	210,236	0.42
Wabtec Corporation	2,801	195,056	201,000	0.41
Citigroup, Inc.	2,826	148,285	197,901	0.40

Industry Groupings

Consumer Discretionary	*	1,645,813	1,784,189	3.60
Consumer Staples	*	236,327	283,196	0.57
Energy	*	709,715	593,519	1.20
Financials	*	2,740,221	3,363,682	6.78
Health Care	*	1,245,967	1,293,766	2.61
Industrials	*	2,516,085	2,739,169	5.52
Information Technology	*	925,154	1,089,046	2.20
Materials	*	816,517	688,710	1.39
Telecommunications	*	257,181	305,370	0.62
Utilities	*	49,574	104,935	0.21
Real Estate	*	337,588	398,442	0.80
Total Equity Fund		<u>\$ 39,324,282</u>	<u>\$ 49,596,752</u>	<u>100.00 %</u>

MONEY MARKET FUND

Federated US Treasury Cash				
Reserve Fund Class I	15,936,707	<u>\$ 15,936,707</u>	<u>\$ 15,936,707</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, 2018

	Shares	Cost	Fair Value	Percentage of Fund
FIXED INCOME FUND				
Mutual Funds				
Baird Intermediate Bond Fund	466,634	\$ 5,136,106	\$ 5,020,980	21.03 %
Blackrock Strategic Income	225,371	2,305,406	2,199,625	9.21
Driehaus Active Income Fund	135,451	1,442,122	1,309,809	5.49
Pimco Moderate Duration Fund	805,920	8,188,051	8,043,081	33.68
The Blackrock Global Long/Short	127,854	1,382,520	1,320,727	5.53
Money Market Funds				
Federated US Treasury Cash Reserve Fund Class I	1,097,903	1,097,903	1,097,903	4.60
Bonds				
Utilities	*	232,097	228,337	0.96
Financials	*	1,047,243	1,017,238	4.26
Industrials	*	1,303,777	1,245,760	5.22
Federal Agencies	*	1,388,799	1,336,924	5.60
State and Municipal	*	725,984	707,353	2.96
Foreign Obligations	*	354,339	348,098	1.46
Total Fixed Income Fund		<u>\$ 24,604,347</u>	<u>\$ 23,875,835</u>	<u>100.00 %</u>
EQUITY FUND				
Mutual Funds				
Baird Mid Cap Fund	265,658	\$ 3,441,884	\$ 5,440,673	11.35 %
Vanguard Institutional Index Fund	4,144	1,009,029	1,026,609	2.14
Vanguard Small Cap Index Fund	73,578	4,044,788	5,489,682	11.45
Oakmark International Fund #109	144,365	2,798,051	3,808,356	7.94
Invesco Equally-Weighted S&P 500	39,192	2,068,352	2,409,922	5.03
Schwab Fundamental US Large CO Index	135,632	2,074,393	2,358,647	4.92
WCM Focused International Growth Fund	117,075	1,352,206	1,891,934	3.95
Oppenheimer International Growth Fund	39,738	1,353,845	1,684,496	3.51
DFA Emerging Markets Core	57,843	1,126,686	1,224,530	2.55
Money Market Funds				
Federated US Treasury Cash Reserve Fund Class I	1,799,958	1,799,958	1,799,958	3.75
Common Stocks				
Alphabet, Inc.	328	59,282	370,374	0.77
Baxter International, Inc.	3,800	144,863	280,592	0.59
Ross Stores, Inc.	3,302	122,329	279,845	0.58
Keysight Technologies, Inc.	4,622	136,506	272,837	0.57
Becton, Dickinson and Company	1,112	163,833	266,391	0.56
Marvell Technology Group Limited	11,600	146,959	248,704	0.52
CBRE Group, Inc.	5,163	151,991	246,482	0.51
Encompass Health Corp.	3,576	84,102	242,167	0.51
Planet Fitness, Inc.	5,463	104,297	240,044	0.50

See accompanying Notes to Financial Statements.

ST. FRANCIS XAVIER INVESTMENT CORP.
SCHEDULE OF INVESTMENTS (CONTINUED)
JUNE 30, 2018

	Shares	Cost	Fair Value	Percentage of Fund
Common Stocks (Continued)				
Hexcel Corporation	3,586	\$ 109,062	\$ 238,039	0.50 %
Mastercard Inc.	1,200	19,733	235,824	0.49
Royal Dutch Shell	3,381	217,103	234,067	0.49
Abbott Laboratories	3,814	169,538	232,616	0.49
Pepsico Inc.	2,103	205,721	228,954	0.48
Philip Morris International, Inc.	2,797	226,391	225,830	0.47
Wex Inc.	1,177	49,055	224,195	0.47
PVH Corporation	1,485	157,313	222,334	0.46
Fortive Corporation	2,871	124,499	221,383	0.46
Mid-America Apartment Communities, Inc.	2,180	205,573	219,461	0.46
Jacobs Engineer Group, Inc.	3,403	145,921	216,056	0.45
JP Morgan Chase & Company	2,050	89,776	213,610	0.45
Costar Group Inc.	514	18,316	212,092	0.44
McKesson Corp.	1,571	244,089	209,571	0.44
Post Holdings, Inc.	2,410	86,604	207,308	0.43
Chubb Ltd.	1,621	209,184	205,899	0.43
Masco Corporation	5,500	153,504	205,810	0.43
Carter Inc.	1,894	137,968	205,290	0.43
American Express Co.	2,085	122,291	204,330	0.43
Euronet Worldwide, Inc.	2,438	99,289	204,231	0.43
Evercore Inc.	1,932	98,350	203,729	0.42
Target Corp.	2,650	194,735	201,718	0.42
Aetna, Inc.	1,092	75,957	200,382	0.42
Comfort System USA, Inc.	4,344	137,400	198,955	0.41
Pros Holdings Inc.	5,396	147,392	197,332	0.41
Entegris Inc.	5,812	78,652	197,027	0.41
Industry Groupings				
Consumer Discretionary	*	1,099,424	1,310,500	2.73
Consumer Staples	*	91,486	125,624	0.26
Energy	*	1,121,174	1,248,164	2.60
Financials	*	1,763,017	2,571,581	5.36
Health Care	*	1,090,483	1,402,254	2.92
Industrials	*	1,789,275	2,209,202	4.61
Information Technology	*	2,316,588	2,705,580	5.64
Materials	*	673,812	762,507	1.59
Utilities	*	207,714	243,230	0.51
Real Estate	*	201,664	222,512	0.46
Total Equity Fund		<u>\$ 36,061,407</u>	<u>\$ 47,949,440</u>	<u>100.00 %</u>
MONEY MARKET FUND				
Federated US Treasury Cash Reserve Fund Class I	17,140,493	<u>\$ 17,140,493</u>	<u>\$ 17,140,493</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, 2019 AND 2018**

	2019	2018
REVENUES		
Investment Income	\$ 1,236,964	\$ 890,536
Investment Management Fees	213,517	212,053
Other Revenue	4,667	-
Total Revenues	1,455,148	1,102,589
EXPENSES		
Investment Management	128,388	128,067
General and Administrative	185,319	161,156
Total Expenses	313,707	289,223
NET INVESTMENT INCOME	1,141,441	813,366
REALIZED AND UNREALIZED GAIN ON INVESTMENTS		
Net Realized Gain on Investments	1,460,100	1,221,724
Net Unrealized Gain on Investments	1,961,283	3,185,878
Total Realized and Unrealized Gain on Investments	3,421,383	4,407,602
NET INCREASE IN NET ASSETS FROM OPERATIONS	\$ 4,562,824	\$ 5,220,968

See accompanying Notes to Financial Statements.

**ST. FRANCIS XAVIER INVESTMENT CORP.
STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 88,994,526	\$ 82,262,528
Net Increase in Net Assets from Operations	4,562,824	5,220,968
Add: Subscriptions	3,501,169	7,229,158
Less: Redemptions	(7,210,475)	(5,718,128)
NET ASSETS - END OF YEAR	\$ 89,848,044	\$ 88,994,526

See accompanying Notes to Financial Statements.

**ST. FRANCIS XAVIER INVESTMENT CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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, 2019 and 2018.

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, 2019 AND 2018

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 4:00p.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. 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.

Subsequent Events

In preparing these financial statements, St. Francis Xavier Corp. has evaluated events and transactions for potential recognition or disclosure through September 30, 2019, the date the financial statements were available to be issued.

ST. FRANCIS XAVIER INVESTMENT CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 3 ACCOUNTING STANDARDS UPDATE

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. St. Francis Xavier Corp. adopted this standard on July 1, 2018. Accordingly, the required presentation and disclosure changes have been retrospectively applied to the prior period presented as if the policy had been used in that year.

NOTE 4 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:

	2019	2018
Interest in Pooled Cash	\$ 2,686	\$ 29,358
Investment Securities Held for Investors	89,845,358	88,965,768
Subtotal	89,848,044	88,995,126
Less: Net Assets Available for Investors	(89,606,096)	(88,754,945)
Total Financial Assets Available for General Expenditure	\$ 241,948	\$ 240,181

NOTE 5 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, 2019 AND 2018

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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

	June 30, 2019			Total
	Level 1	Level 2	Level 3	
Investment Securities:				
Fixed Income Fund:				
Mutual Funds	\$ 18,017,703	\$ -	\$ -	\$ 18,017,703
Money Market Funds	-	1,035,013	-	1,035,013
Bonds	-	5,259,183	-	5,259,183
Equity Fund:				
Mutual Funds	25,788,825	-	-	25,788,825
Money Market Funds	-	1,956,478	-	1,956,478
Common Stocks	21,851,449	-	-	21,851,449
Money Market Fund	-	15,936,707	-	15,936,707
Total Investments	<u>\$ 65,657,977</u>	<u>\$ 24,187,381</u>	<u>\$ -</u>	<u>\$ 89,845,358</u>

	June 30, 2018			Total
	Level 1	Level 2	Level 3	
Investment Securities:				
Fixed Income Fund:				
Mutual Funds	\$ 17,894,222	\$ -	\$ -	\$ 17,894,222
Money Market Funds	-	1,097,903	-	1,097,903
Bonds	-	4,883,710	-	4,883,710
Equity Fund:				
Mutual Funds	25,334,849	-	-	25,334,849
Money Market Funds	-	1,799,958	-	1,799,958
Common Stocks	20,814,633	-	-	20,814,633
Money Market Fund	-	17,140,493	-	17,140,493
Total Investments	<u>\$ 64,043,704</u>	<u>\$ 24,922,064</u>	<u>\$ -</u>	<u>\$ 88,965,768</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, 2019 AND 2018**

NOTE 6 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	100 %

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

As of June 30, 2019 and 2018, there were 327,552.871 and 340,130.772 units outstanding in the fixed income fund with a net asset value per unit of \$74.223 and \$70.196, 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 fixed income fund for the indicated time periods ended June 30:

	One Year	Three Years	Five Years
2019	5.7 %	2.2 %	1.9 %
2018	(0.4)%	1.0 %	1.3 %

The weighted expense ratio for the fixed income funds was 0.93% and 0.87% for the years ended June 30, 2019 and 2018, respectively.

**ST. FRANCIS XAVIER INVESTMENT CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 6 INVESTMENTS (CONTINUED)

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>100 %</u>

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

As of June 30, 2019 and 2018, there were 313,815.692 and 319,118.937 units outstanding in the equity fund with a net asset value per unit of \$158.044 and \$150.255, 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>
2019	5.7 %	11.8 %	6.8 %
2018	11.5 %	8.1 %	9.8 %

The weighted expense ratio for the equity fund was 0.99% and 1.01% for the years ended June 30, 2019 and 2018, respectively.

**ST. FRANCIS XAVIER INVESTMENT CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 6 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, 2019 and 2018.

As of June 30, 2019 and 2018, there were 15,936,707 and 17,140,493 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
2019	2.11 %	1.20 %	0.74 %
2018	1.15 %	0.53 %	0.32 %

The weighted expense ratio for the money market fund was 0.18% for each of the years ended June 30, 2019 and 2018.

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 7 INTERDIOCESAN TRANSACTIONS

St. Francis Xavier Corp. received various revenues from and incurred various charges to other diocesan entities during the years ended June 30, 2019 and 2018. All activity is settled between the entities; therefore, there are no accounts receivable or accounts payable between the entities as of June 30, 2019 and 2018.

Total revenues from other diocesan corporations were \$96,569 and \$104,836 for the years ended June 30, 2019 and 2018, 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, 2019 and 2018, respectively.

Total expenses paid to other diocesan corporations were \$176,929 and \$154,267 for the years ended June 30, 2019 and 2018, respectively, the majority of which relates to administrative and support services provided by St. Therese of the Little Flower, Inc.