

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

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019



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**ST. FRANCIS XAVIER INVESTMENT CORP.
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YEARS ENDED JUNE 30, 2020 AND 2019**

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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, 2020 and 2019, 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, 2020 and 2019, 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 16, 2020

**ST. FRANCIS XAVIER INVESTMENT CORP.
STATEMENTS OF ASSETS AND LIABILITIES
JUNE 30, 2020 AND 2019**

	2020	2019
ASSETS		
Interest in Pooled Cash	\$ 5,875	\$ 2,686
Investment Securities Held for Investors, at Fair Value:		
Fixed Income Fund	24,421,365	24,311,899
Equity Fund	49,000,118	49,596,752
Money Market Fund	14,639,775	15,936,707
Total Investment Securities	88,061,258	89,845,358
 Total Assets	 \$ 88,067,133	 \$ 89,848,044
NET ASSETS		
Available for Investors:		
Fixed Income Fund	\$ 24,421,365	\$ 24,311,899
Equity Fund	49,000,118	49,596,752
Money Market Fund	14,405,573	15,697,445
Total Available for Investors	87,827,056	89,606,096
 Net Assets Without Donor Restrictions	 240,077	 241,948
 Total Net Assets	 \$ 88,067,133	 \$ 89,848,044

See accompanying Notes to Financial Statements.

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

	Shares	Cost	Fair Value	Percentage of Fund
FIXED INCOME FUND				
Mutual Funds				
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
Money Market Funds				
Federated US Treasury Cash Reserve Fund Class I	992,152	992,152	992,152	4.06
Bonds				
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>
EQUITY FUND				
Mutual Funds				
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
Money Market Funds				
Federated US Treasury Cash Reserve Fund Class I	1,477,518	1,477,518	1,477,518	3.02
Common Stocks				
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
Common Stocks (Continued)				
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
Industry Groupings				
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>
MONEY MARKET FUND				
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.
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

	Shares	Cost	Fair Value	Percentage of Fund
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.
STATEMENTS OF OPERATIONS
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
REVENUES		
Investment Income	\$ 1,099,849	\$ 1,236,964
Investment Management Fees	222,908	213,517
Other Revenue	-	4,667
Total Revenues	1,322,757	1,455,148
EXPENSES		
Investment Management	127,852	128,388
General and Administrative	194,260	185,319
Total Expenses	322,112	313,707
NET INVESTMENT INCOME	1,000,645	1,141,441
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net Realized Gain on Investments	9,048,666	1,460,100
Change in Net Unrealized Gain (Loss) on Investments	(9,447,085)	1,961,283
Total Realized and Unrealized Gain (Loss) on Investments	(398,419)	3,421,383
NET INCREASE IN NET ASSETS FROM OPERATIONS	\$ 602,226	\$ 4,562,824

See accompanying Notes to Financial Statements.

**ST. FRANCIS XAVIER INVESTMENT CORP.
STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
NET ASSETS - BEGINNING OF YEAR	\$ 89,848,044	\$ 88,994,526
Net Increase in Net Assets from Operations	602,226	4,562,824
Add: Subscriptions	4,073,817	3,501,169
Less: Redemptions	<u>(6,456,954)</u>	<u>(7,210,475)</u>
NET ASSETS - END OF YEAR	<u>\$ 88,067,133</u>	<u>\$ 89,848,044</u>

See accompanying Notes to Financial Statements.

**ST. FRANCIS XAVIER INVESTMENT CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

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, 2020 and 2019.

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, 2020 AND 2019

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 \$222,908 and \$213,517 during the years ended June 30, 2020 and 2019, 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, 2020 AND 2019**

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 16, 2020, the date the financial statements were available to be issued.

NOTE 3 ACCOUNTING STANDARDS UPDATE

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

St. Francis Xavier Corp.'s financial statements reflect the application of ASC 606 guidance beginning in 2019. No cumulative-effect adjustment in net assets was recorded because the adoption of ASU 2014-09 did not significantly impact St. Francis Xavier Corp.'s reported historical revenue.

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:

	<u>2020</u>	<u>2019</u>
Interest in Pooled Cash	\$ 5,875	\$ 2,686
Investment Securities Held for Investors	<u>88,061,258</u>	<u>89,845,358</u>
Subtotal	88,067,133	89,848,044
Less: Net Assets Available for Investors	<u>(87,827,056)</u>	<u>(89,606,096)</u>
Total Financial Assets Available for General Expenditure	<u>\$ 240,077</u>	<u>\$ 241,948</u>

ST. FRANCIS XAVIER INVESTMENT CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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, 2020 AND 2019

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, 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>

	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>

**ST. FRANCIS XAVIER INVESTMENT CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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.

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, 2020 and 2019, there were 311,102.721 and 327,552.871 units outstanding in the fixed income fund with a net asset value per unit of \$78.499 and \$74.223, respectively.

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NOTE 6 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>
2020	5.8 %	3.6 %	2.9 %
2019	5.7 %	2.2 %	1.9 %

The weighted expense ratio for the fixed income funds was 0.95% and 0.93% for the years ended June 30, 2020 and 2019, respectively.

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, 2020 and 2019, there were 317,818.831 and 313,815.692 units outstanding in the equity fund with a net asset value per unit of \$154.176 and \$158.044, 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>
2020	(3.4)%	4.4 %	5.2 %
2019	5.7 %	11.8 %	6.8 %

The weighted expense ratio for the equity fund was 0.85% and 0.99% for the years ended June 30, 2020 and 2019, respectively.

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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, 2020 and 2019.

As of June 30, 2020 and 2019, there were 14,639,775 and 15,936,707 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:

	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>
2020	1.26 %	1.51 %	0.99 %
2019	2.11 %	1.20 %	0.74 %

The weighted expense ratio for the money market fund was 0.18% for each of the years ended June 30, 2020 and 2019.

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 RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to St. Francis Xavier Corp., COVID-19 may impact various parts of its 2021 operations and financial results, including investment returns. Management believes St. Francis Xavier Corp. is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

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NOTE 8 INTERDIOCESAN TRANSACTIONS

St. Francis Xavier Corp. received various revenues from and incurred various charges to other diocesan entities during the years ended June 30, 2020 and 2019. All activity is settled between the entities; therefore, there are no accounts receivable or accounts payable between the entities as of June 30, 2020 and 2019.

Total revenues from other diocesan corporations were \$95,307 and \$96,569 for the years ended June 30, 2020 and 2019, 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, 2020 and 2019, respectively.

Total expenses paid to other diocesan corporations were \$186,405 and \$176,929 for the years ended June 30, 2020 and 2019, respectively, the majority of which relates to administrative and support services provided by St. Therese of the Little Flower, Inc.