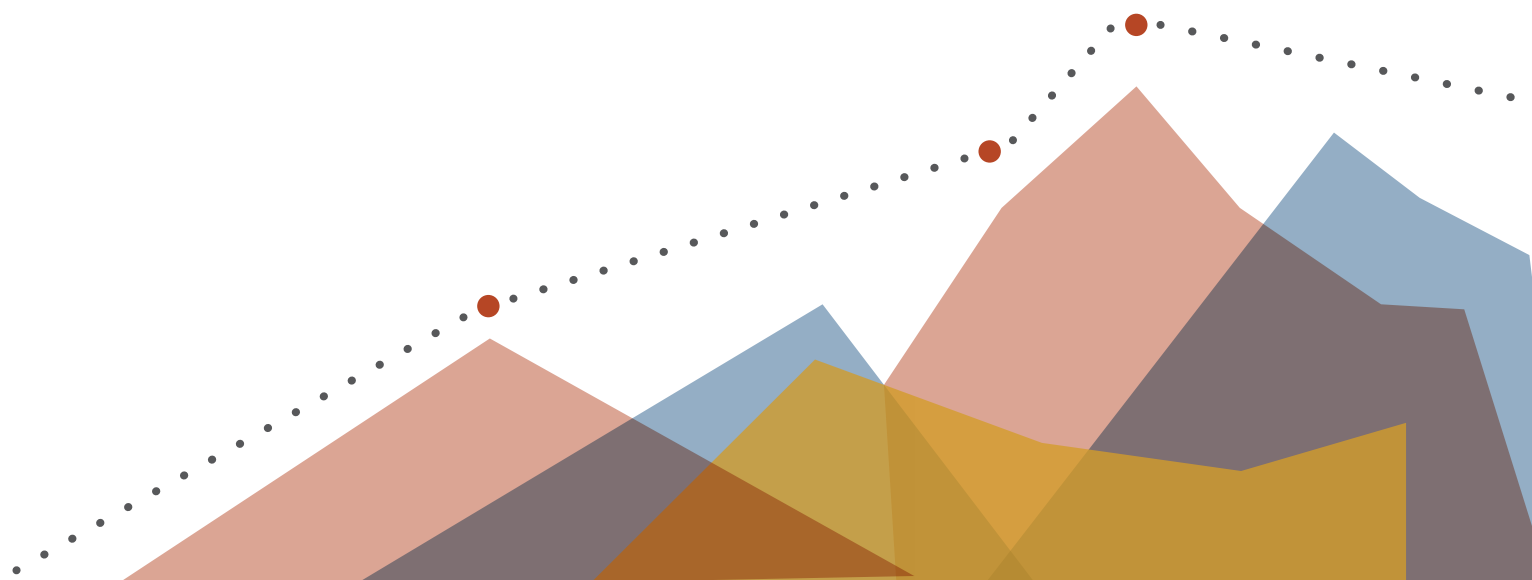


Annual Fund Summary Report 2022



February 8, 2023

Dear CDMF Fund Holders,

Winter greetings to each of you! Everyone here at the CDMF hopes that your 2023 is off to a great start. Please find enclosed your Annual Fund Summary Report, which includes fund activity and performance information as of December 31, 2022.

Market Summary 2022 was a challenging year for investors as global capital markets (both stocks and bonds) saw overall declines. These declines largely stemmed from the Federal Open Market Committee's unprecedented actions in raising the fed funds rate (the rate banks charge to other institutions) throughout the year in an effort to tame rising inflation. The fed funds rate impacts other interest rates, such as those on credit cards, mortgages and bank loans. The CDMF portfolio declined in line with the capital markets, incurring a loss of -15.57% for the year.

Looking ahead, a choppy start to 2023 is anticipated, giving way to a more favorable investment environment later in the year. The year's first half will likely center on the Fed and other central banks' policy resolve, with investors weighing how stringent policymakers will be given recent interest rate hiking trends.

We, along with our investment professionals, will continue to actively monitor market and economic conditions and make short-term adjustments permitted under the CDMF's investment policy statement with the aim of achieving long-term investment goals.

Annual Distribution Rates The CDMF remains positioned to sustain its annual distribution rate at 4.5% while protecting the long-term value of your funds. Our Investment Committee scrutinizes the annual rate each year to ensure the perpetual viability of each fund. If market projections indicate a future rate reduction would be prudent, the CDMF will make those adjustments to protect the sustainability of each fund. We will work closely with you to provide ample notice in implementing any rate adjustment to minimize impact to your budget and cash flow.

Lowered Fee Tiers Remain As previously communicated, and as part of our continued commitment to our fundholders, the Foundation and its investment team are pleased to maintain our lowered fees. Announced in last year's Fundholder Letter and implemented on January 1, 2022, the current fee tiers reflect a 10 point overall savings (a reduction of 5 basis points each in administrative and investment fees) compared to earlier fee levels. For an updated copy of our fee structure, please reach out to us at cdmf@diocesemadisonfoundation.org.

We are grateful for your continued faith and trust in the CDMF and for your extraordinary generosity towards building the resources necessary for the growth and vitality of the Church all across the Diocese of Madison. Please contact Paul Merline for additional information or with any questions at 608.821.3003 or paul.merline@diocesemadisonfoundation.org.

Thank you and God bless you!

Gratefully yours in Christ,

Mark Meloy
Chair, CDMF Investment Committee
Catholic Diocese of Madison Foundation