

The Episcopal Church Foundation in West Texas Investment Program

QUARTERLY REPORT

March 31, 2019

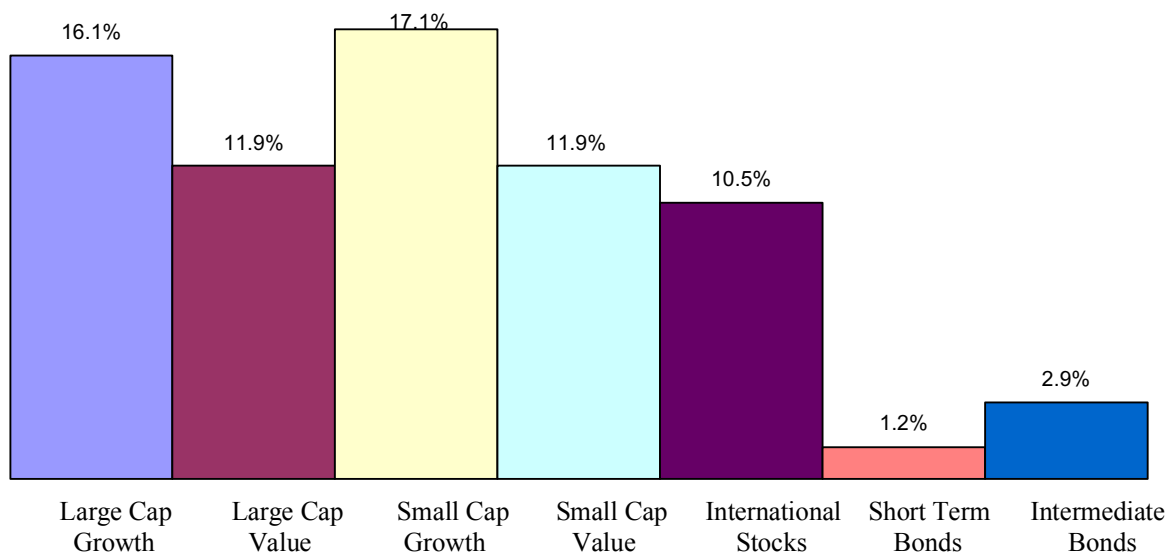
Market Report

Investors were smiling at the close of the first quarter, as both common stocks and bonds produced strong gains. The US stock market achieved its best gains in nearly a decade and major stock indices have now recouped most of their losses of the last quarter of 2018. The Vanguard Total Stock Market index gained 14% for the quarter and the Bloomberg Barclays US Aggregate Bond Index gained nearly 3%.

Stocks across the board—large capitalization stocks, small cap stocks, the growth style and the value style—achieved nice gains for the quarter. International stocks trailed the US for the quarter, but achieved a gain of 10%. As shown below, the growth style outperformed value and small capitalization stocks slightly outperformed large cap stocks.

Improvement in the bond market was driven by the Fed's announcement that further interest rate increases were unlikely. Interest rates remain low compared to historical averages.

Market Returns for Quarter



Model Portfolio Review

All four Foundation model portfolios achieved nice gains for the quarter, ranging from 1.25% for Capital Maintenance to 9.9% for Growth. Performance relative to peer groups for all models was favorable for the quarter. Longer-term relative performance for all models remains favorable compared to other managers.

Details of the performance of the four models are shown below.

Asset Class Investment Results

The Foundation’s performance for the quarter for the three assets classes in which it invests, along with comparative benchmark returns, are shown in the following table.

Asset Class	Return	Benchmark
Common Stocks	13.1%	14.0%
Fixed Income	3.4%	2.9%
Cash Equivalents	0.5%	0.6%

Account Status

Foundation assets at quarter-end totaled \$73.2 million, an increase of \$5.9 million during the quarter. Investment gains were \$6.0 million or 8.9%. One new account was opened during the quarter.

At March 31st, the Foundation had a total of 221 accounts as follows:

Ownership	Number of Accounts	Amount
Churches/Schools	162	\$ 41.5 million
Diocese/Foundation	59	31.7 million

Model Portfolio Performance as of March 31, 2019*

Growth	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	9.91	5.68	9.51	5.95
<i>+/- Peer Group Composite</i>	0.28	2.14	1.44	0.40
<i>+/- Index Composite</i>	(0.15)	0.61	0.30	(0.64)

Growth & Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	7.75	5.50	7.98	5.35
<i>+/- Peer Group Composite</i>	0.31	1.75	1.24	0.54
<i>+/- Index Composite</i>	0.08	0.58	0.57	(0.43)

Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	6.01	5.24	6.62	4.69
<i>+/- Peer Group Composite</i>	0.24	1.41	1.17	0.68
<i>+/- Index Composite</i>	0.11	0.49	0.76	(0.03)

Capital Maintenance	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	1.25	2.51	1.37	1.14
<i>+/- Peer Group Composite</i>	0.07	0.18	0.09	0.12
<i>+/- Index Composite</i>	0.16	(0.16)	0.06	0.01

* Returns for greater than one year are annualized. Past performance does not guarantee future results.