

The Episcopal Church Foundation in West Texas Investment Program

QUARTERLY REPORT

June 30, 2019

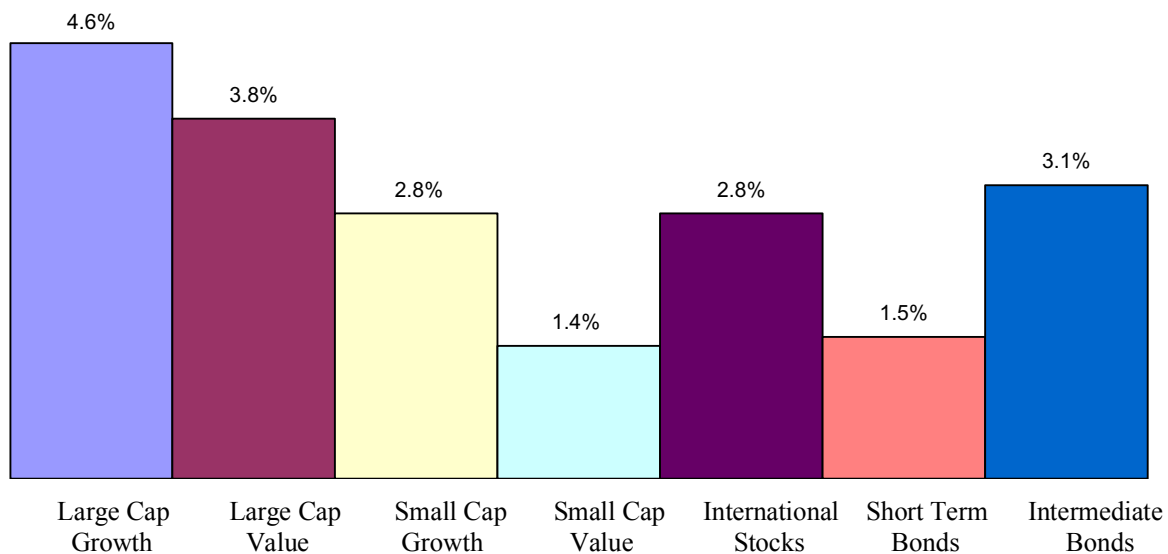
Market Report

Both stock and bond markets continued to achieve nice gains in the second quarter, although the gains were more modest than the first quarter. The two quarters added together may have produced the best first half-year ever recorded, with domestic stocks gaining over 18%. It is estimated that global stocks surged \$8 trillion in value for the first six months of this year.

A broad proxy for the total US stock market gained over 4% for the quarter. As shown below, large cap stocks outperformed small cap and the growth style outperformed the value style.

The US bond market also produced nice gains for the quarter, bolstered by the Federal Reserve's announcements that it planned to suspend its moves to increase interest rates. As shown below, gains in fixed income were achieved across the maturity spectrum.

Market Returns for Quarter



Model Portfolio Review

All four Foundation model portfolios achieved gains for the quarter, ranging from 1.17% for Capital Maintenance to 3.08% 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.

In late May, allocations within the Growth, Growth & Income, and Income model portfolios were changed to lengthen the duration of fixed income investments. Corresponding reductions in cash equivalents and short-term bonds were made at the same time.

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	3.5%	4.1%
Fixed Income	2.8%	3.1%
Cash Equivalents	0.5%	0.6%

Account Status

Foundation assets at quarter-end totaled \$76 million, an increase of \$2.8 million during the quarter. Investment gains were \$2.2 million or 3.0%. Three new accounts were opened during the quarter.

At June 30th, the Foundation had a total of 228 accounts as follows:

Ownership	Number of Accounts	Amount
Churches/Schools	168	\$ 43.3 million
Diocese/Foundation	60	32.7 million

Model Portfolio Performance as of June 30, 2019*

Growth	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	3.08	5.62	10.05	6.03
<i>+/- Peer Group Composite</i>	0.05	1.16	1.47	0.48
<i>+/- Index Composite</i>	(0.26)	(0.20)	0.41	(0.06)

Growth & Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	2.84	6.04	8.37	5.45
<i>+/- Peer Group Composite</i>	0.10	1.08	1.26	0.62
<i>+/- Index Composite</i>	(0.16)	(0.03)	0.62	(0.35)

Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	2.59	6.18	6.90	4.78
<i>+/- Peer Group Composite</i>	0.11	0.98	1.16	0.72
<i>+/- Index Composite</i>	(0.12)	0.00	0.77	0.00

Capital Maintenance	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	1.17	3.50	1.54	1.28
<i>+/- Peer Group Composite</i>	0.08	0.30	0.10	0.14
<i>+/- Index Composite</i>	(0.02)	(0.08)	0.01	(0.01)

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