

The Episcopal Church Foundation in West Texas Investment Program

QUARTERLY REPORT

December 31, 2019

Market Report

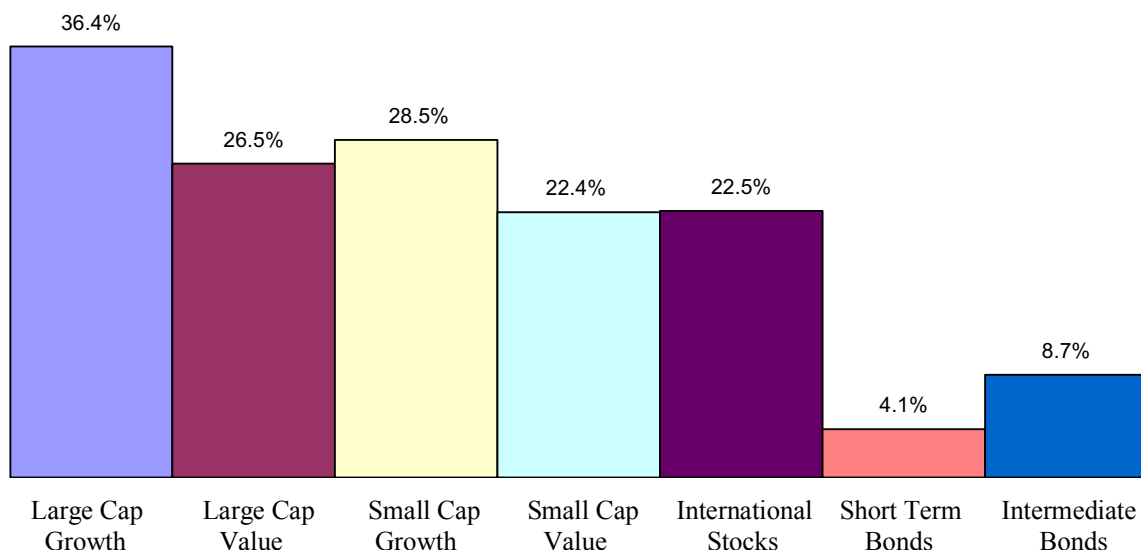
Stock markets around the world achieved gains of 9% during the quarter—putting aside worries about trade with China, Brexit, impeachment, and slowing economies. Likewise, 2019 was a banner year for the US stock market that saw popular indices surge to record levels. 2019 was the best year for stocks since 2013, with gains in excess of 30%.

For the year, large capitalization stocks outperformed small cap stocks by nearly 600 basis points and the growth style outperformed the value style in both capitalization categories by significant margins. International stock performance trailed the US, but was still strong at over 22%.

When equity performance is very strong, bond returns often suffer. While bond performance was anemic in the fourth quarter, that was not the case for the year, as bonds achieved total returns of nearly 9%.

All in all, 2019 will be a year to remember—it was hard not to make money.

Market Returns for Year



Model Portfolio Review

All four Foundation model portfolios achieved strong gains for the quarter and the year, ranging from 3.7% for Capital Maintenance to 20.9% for Growth for the twelve months. Performance relative to peer groups was favorable for the quarter, the year, as well as longer-term time periods. Performance relative to passive benchmarks was mixed.

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

Asset Class Investment Results

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

Asset Class	Return	Peer Group	Benchmark
Common Stocks	27.0%	26.3%	31.0%
Fixed Income	9.0%	7.7%	8.7%
Cash Equivalents	1.9%	1.8%	2.1%

Account Status

Foundation assets at quarter-end totaled \$94.5 million, an increase of \$18.3 million during the quarter. Investment gains were \$4.6 million or 5.8%. For the year, investment gains totaled \$13.1 million or 19.1%. Six new accounts were opened during the quarter, with initial deposits of \$13.2 million.

At December 31st, the Foundation had a total of 234 accounts as follows:

Ownership	Number of Accounts	Amount
Churches/Schools	172	\$ 58.4 million
Diocese/Foundation	62	36.1 million

Model Portfolio Performance as of December 31, 2019*

Growth	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	6.41	20.87	11.12	7.22
<i>+/- Peer Group Composite</i>	0.61	0.90	2.12	0.60
<i>+/- Index Composite</i>	0.08	(0.88)	1.12	(0.38)

Growth & Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	4.72	16.74	9.15	6.26
<i>+/- Peer Group Composite</i>	0.51	0.89	1.68	0.68
<i>+/- Index Composite</i>	0.13	(0.39)	1.01	(0.21)

Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	3.43	13.60	7.48	5.45
<i>+/- Peer Group Composite</i>	0.45	0.85	1.39	0.80
<i>+/- Index Composite</i>	0.18	(0.10)	0.91	0.15

Capital Maintenance	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	0.42	3.70	2.01	1.49
<i>+/- Peer Group Composite</i>	0.05	0.27	0.13	0.15
<i>+/- Index Composite</i>	(0.01)	0.11	(0.09)	0.01

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