

# The Episcopal Church Foundation in West Texas Investment Program

## QUARTERLY REPORT

September 30, 2020

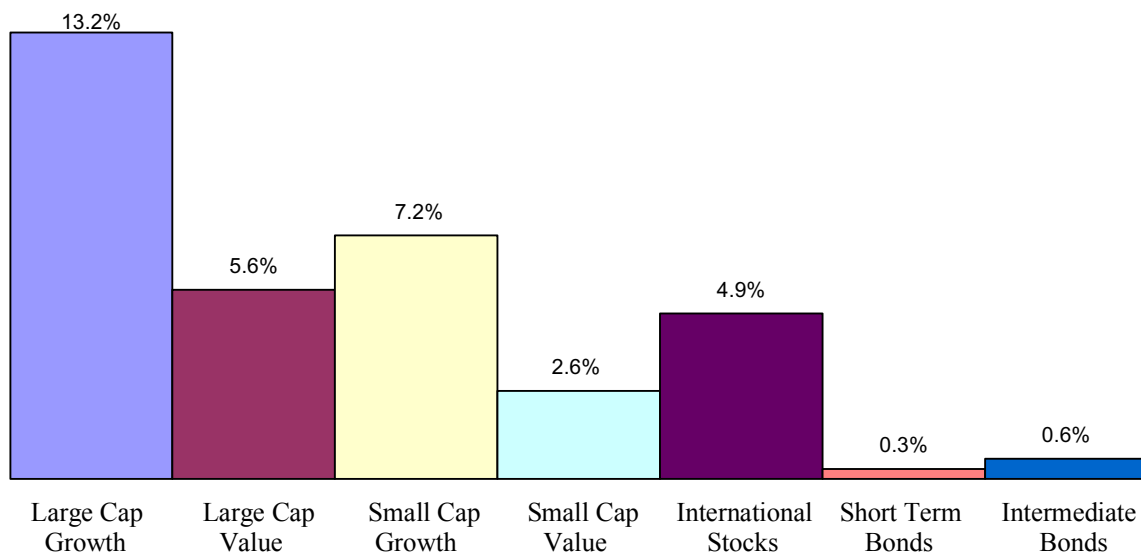
### Market Report

Stock market bulls controlled the stock market during July and August, but the market reversed in September with a 10% correction from the August high. While volatility returned in the closing month of the quarter, respectable investment gains were achieved for the quarter, with the Russell 3000 index gaining over 9%.

Large capitalization stocks outperformed small cap by over 450 basis points. The growth style performed better than the value style in both capitalization categories. International stocks underperformed domestic, but still achieved gains of 5%.

While the stock market was characterized by hurricane conditions, the bond markets provided a calm safe harbor. Interest rates were essentially unchanged during the quarter and both the short and intermediate sections of the market recorded modest total return gains.

### Market Returns for Quarter



## **Model Portfolio Review**

All four Foundation model portfolios achieved gains for the quarter, ranging from 0.3% for Capital Maintenance to 6.0% for Growth. Performance relative to peer groups and passive benchmarks was favorable for the quarter and longer time periods shown in detailed reports.

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 peer group and benchmark returns, are shown in the following table. Consolidated performance of all asset classes is also shown.

| <b>Asset Class</b>  | <b>Return</b> | <b>Peer Group</b> | <b>Benchmark</b> |
|---------------------|---------------|-------------------|------------------|
| Common Stocks       | 8.6%          | 7.2%              | 8.0%             |
| Fixed Income        | 1.4%          | 1.0%              | 0.6%             |
| Cash Equivalents    | 0.1%          | 0.0%              | 0.0%             |
| <b>Consolidated</b> | 5.7%          | 4.7%              | 5.1%             |

## **Account Status**

Foundation assets at quarter-end totaled \$99.5 million, an increase of \$4.9 million during the quarter. Investment gains totaled \$5.3 million. Two new accounts were opened during the quarter, with initial deposits of \$76,000.

At September 30<sup>th</sup>, the Foundation's accounts were owned as follows:

| <b>Ownership</b>   | <b>Amount</b>   |
|--------------------|-----------------|
| Churches/Schools   | \$ 62.3 million |
| Diocese/Foundation | 37.2 million    |

## Model Portfolio Performance as of September 30, 2020\*

| <b>Growth</b>                   | <b>3 Mo</b> | <b>1 Yr</b> | <b>3 Yr</b> | <b>5 Yr</b> |
|---------------------------------|-------------|-------------|-------------|-------------|
| Portfolio Total Return          | 5.96        | 12.05       | 8.53        | 9.40        |
| <i>+/- Peer Group Composite</i> | 1.03        | 6.17        | 3.20        | 1.93        |
| <i>+/- Index Composite</i>      | 0.54        | 3.74        | 1.71        | 0.57        |

| <b>Growth &amp; Income</b>      | <b>3 Mo</b> | <b>1 Yr</b> | <b>3 Yr</b> | <b>5 Yr</b> |
|---------------------------------|-------------|-------------|-------------|-------------|
| Portfolio Total Return          | 4.74        | 11.48       | 7.86        | 8.33        |
| <i>+/- Peer Group Composite</i> | 0.80        | 4.93        | 2.56        | 1.70        |
| <i>+/- Index Composite</i>      | 0.50        | 3.09        | 1.40        | 0.57        |

| <b>Income</b>                   | <b>3 Mo</b> | <b>1 Yr</b> | <b>3 Yr</b> | <b>5 Yr</b> |
|---------------------------------|-------------|-------------|-------------|-------------|
| Portfolio Total Return          | 3.43        | 9.01        | 6.68        | 7.04        |
| <i>+/- Peer Group Composite</i> | 0.59        | 3.63        | 1.99        | 1.49        |
| <i>+/- Index Composite</i>      | 0.48        | 2.40        | 1.14        | 0.71        |

| <b>Capital Maintenance</b>      | <b>3 Mo</b> | <b>1 Yr</b> | <b>3 Yr</b> | <b>5 Yr</b> |
|---------------------------------|-------------|-------------|-------------|-------------|
| Portfolio Total Return          | 0.31        | 2.71        | 2.39        | 1.89        |
| <i>+/- Peer Group Composite</i> | (0.08)      | 0.53        | 0.28        | 0.23        |
| <i>+/- Index Composite</i>      | 0.13        | 0.24        | (0.04)      | 0.09        |

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