

The Episcopal Church Foundation in West Texas Investment Program

QUARTERLY REPORT

December 31, 2020

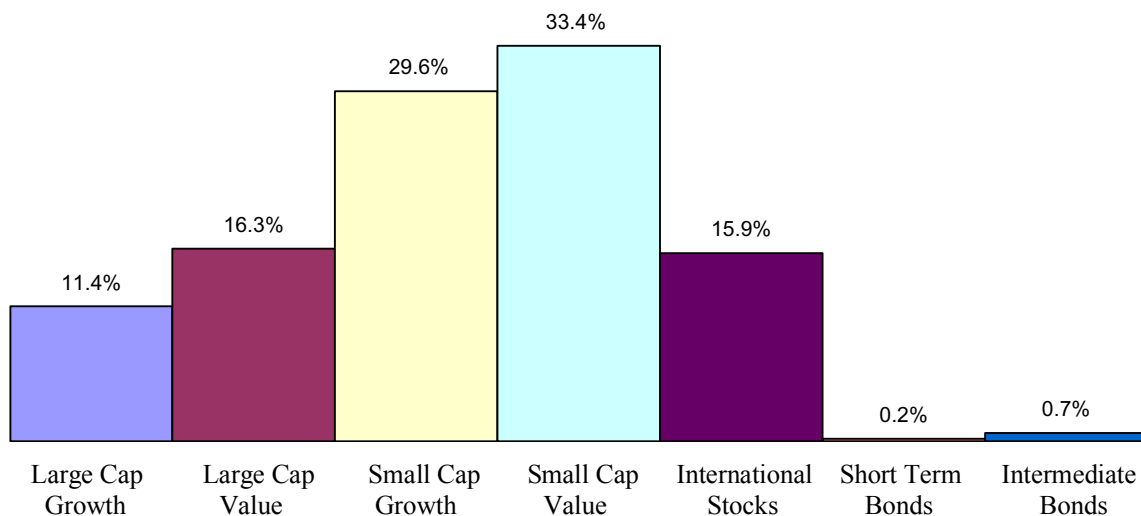
Market Report

In spite of a tumultuous election and a spike in virus cases, the US stock market set multiple records on the upside. The Vanguard Total Stock Market index gained over 14.5% for the quarter. The stock market appears to be pricing in future positive developments associated with virus vaccines and an improving economy resulting from pent-up demand. Equity performance for the year was also robust, with the broad market gaining 21%.

Small capitalization stocks led performance gains for the quarter, outperforming large cap by nearly 2000 basis points. Unlike most previous quarters, the value style outperformed the growth style in both large cap and small cap categories. International stocks also performed well during the quarter, gaining nearly 16%, but achieved gains of less than 8% for the year.

Interest rates were essentially flat across the maturity spectrum for the quarter. For the year, rates decreased sharply, resulting in total gains of 3.5% to 7.5%, depending upon maturity. The bond market shows no signs of anticipated inflation, notwithstanding the Fed's massive stimulus activity.

Market Returns for Quarter



Model Portfolio Review

All four Foundation model portfolios achieved gains for the quarter, ranging from 0.5% for Capital Maintenance to 13.0% for Growth. Performance relative to peer groups was favorable for the quarter and longer time periods shown in detailed reports. Performance relative to passive indices was generally favorable.

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.

Asset Class	Return	Peer Group	Benchmark
Common Stocks	17.5%	17.6%	18.2%
Fixed Income	2.2%	1.0%	0.6%
Cash Equivalents	0.0%	0.0%	0.2%
Consolidated	11.6%	11.4%	11.6%

For the year, investment gains totaled \$17.5 million or 18.3%. Total assets increased \$21.2 million for the year.

Account Status

Foundation assets at quarter-end totaled \$115.7 million, an increase of \$16.1 million during the quarter. Investment gains totaled \$12 million. Two new accounts were opened during the quarter, with initial deposits of \$279,625.

At December 31st, the Foundation’s accounts were owned as follows:

Ownership	Amount
Churches/Schools	\$ 74.0 million
Diocese/Foundation	41.7 million

Model Portfolio Performance as of December 31, 2020*

Growth	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	13.13	19.12	11.71	11.24
<i>+/- Peer Group Composite</i>	0.25	6.15	3.35	1.89
<i>+/- Index Composite</i>	(0.20)	8.08	3.15	1.16

Growth & Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	9.14	16.18	10.07	9.55
<i>+/- Peer Group Composite</i>	0.21	4.80	2.68	1.55
<i>+/- Index Composite</i>	0.13	3.21	1.52	0.48

Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	6.63	12.38	8.24	7.94
<i>+/- Peer Group Composite</i>	0.22	3.49	2.07	1.37
<i>+/- Index Composite</i>	0.23	2.51	1.24	0.65

Capital Maintenance	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	0.45	2.73	2.51	2.00
<i>+/- Peer Group Composite</i>	0.04	0.51	0.30	0.21
<i>+/- Index Composite</i>	0.28	0.53	0.08	0.13

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