

The Episcopal Church Foundation in West Texas Investment Program

QUARTERLY REPORT

March 31, 2021

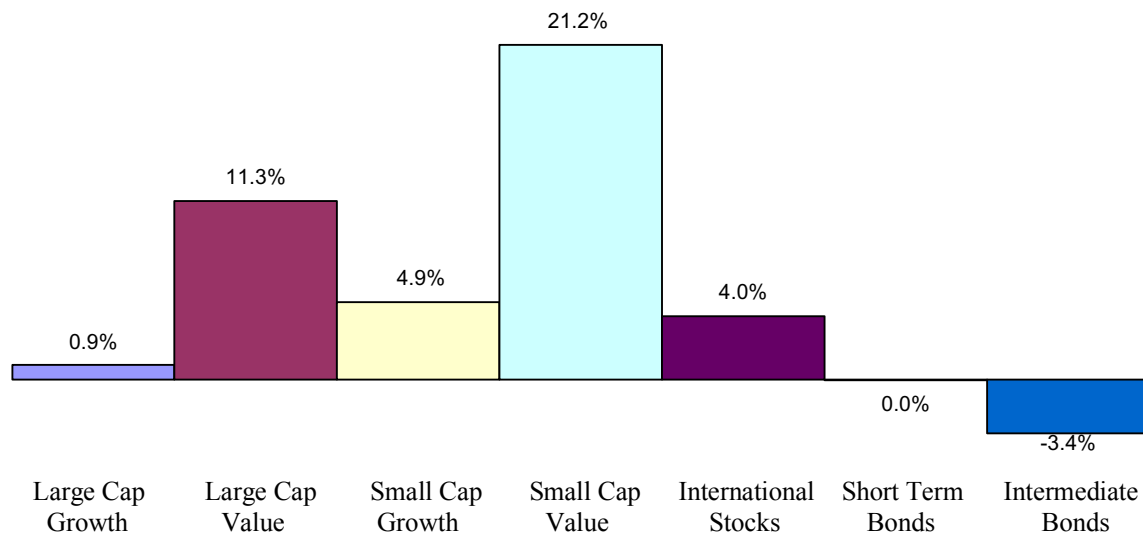
Market Report

First quarter stock market results were good, but not outstanding as they have been for the past couple of quarters. The broad US stock market gained 6.4% as measured by the Russell 3000 index. Underlying this performance was a significant change in market leadership. Sectors that had been struggling—energy, value style stocks, smaller companies—became dominant. No doubt this was based upon optimism about improving economic conditions. Conversely, stocks that had been leading—growth style stocks and technology—trailed in the quarter.

Reflective of this leadership change, the value style significantly outperformed the growth style in both large and small capitalization categories. The outperformance was most dramatic in the small cap category, with value outperforming by over 1600 basis points. International stocks continued to trail their domestic counterparts.

Significant changes also occurred in the bond market. Along with expectations for an expanding economy came concerns about the possibility of inflation. Interest rates increased across the maturity spectrum, accompanied by a corresponding decline in the value of the underlying bonds. Consequently, bonds lost money for the quarter.

Market Returns for Quarter



Model Portfolio Review

The three model portfolios that invest in stocks achieved gains for the quarter. The Capital Maintenance Model—that invests only in fixed income securities—sustained a small loss. Performance relative to peer groups and benchmark indices was unfavorable for the quarter, but continued favorable for 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.

Asset Class	Return	Peer Group	Benchmark
Common Stocks	5.9%	8.5%	7.4%
Fixed Income	-2.3%	-2.7%	-3.0%
Cash Equivalents	0.0%	0.0%	0.1%
Consolidated	3.1%	4.6%	3.9%

Account Status

Foundation assets at quarter-end totaled \$119.9 million, an increase of \$4.2 million during the quarter. Investment gains totaled \$3.6 million. Eight new accounts were opened during the quarter, with initial deposits of \$586,103.

At March 31st, the Foundation's accounts were owned as follows:

Ownership	Amount
Churches/Schools	\$ 76.7 million
Diocese/Foundation	43.2 million

Model Portfolio Performance as of March 31, 2021*

Growth	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	3.53	45.71	12.75	12.24
<i>+/- Peer Group Composite</i>	(1.73)	1.65	2.30	1.81
<i>+/- Index Composite</i>	(0.92)	1.54	0.84	0.56

Growth & Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	1.93	32.26	10.62	10.07
<i>+/- Peer Group Composite</i>	(1.17)	1.59	1.91	1.52
<i>+/- Index Composite</i>	(0.58)	2.38	0.88	0.75

Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	1.09	22.83	8.61	8.09
<i>+/- Peer Group Composite</i>	(0.75)	1.43	1.54	1.34
<i>+/- Index Composite</i>	(0.31)	2.63	0.81	0.84

Capital Maintenance	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	(0.53)	1.57	2.37	1.74
<i>+/- Peer Group Composite</i>	(0.05)	(0.31)	0.28	0.18
<i>+/- Index Composite</i>	(0.02)	0.99	0.10	0.12

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