

# The Episcopal Church Foundation in West Texas Investment Program

## QUARTERLY REPORT

September 30, 2021

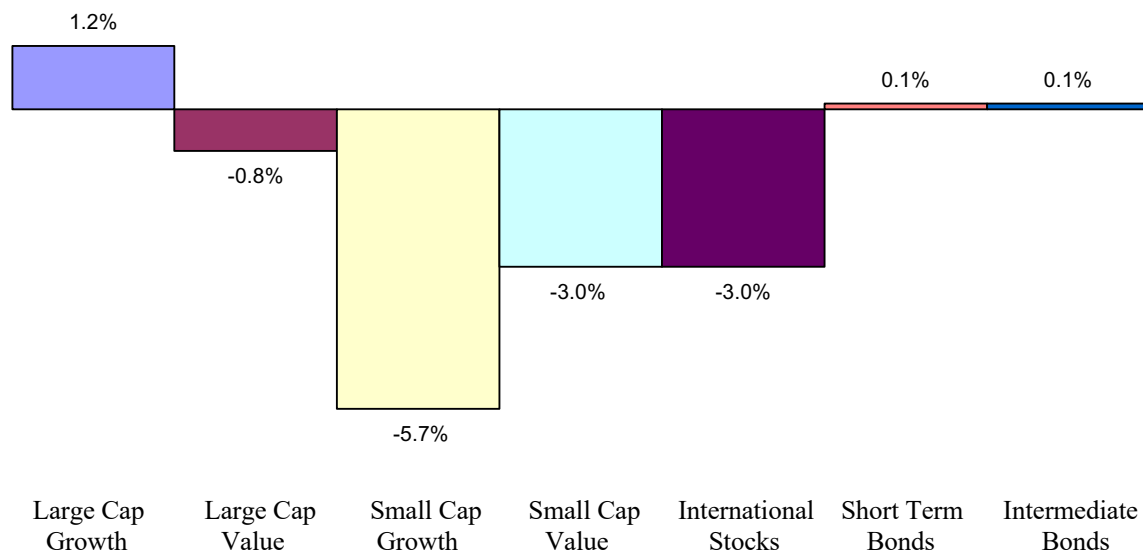
### Market Report

During the first two months of the quarter, positive momentum in US stocks continued, with the S&P500 index reaching new all-time highs. In September investor psychology changed, causing the S&P500 to break a seven-month trend of gains and stock markets across the globe declined. Some of the concerns included increased COVID cases, increased interest rates, corporate profit warnings due to supply chain problems, a potential government shut down, and the potential contagion from a default by a Chinese property giant.

Given investor sentiment, it's not surprising that large capitalization stocks outperformed small cap. In the large cap space, the growth style outperformed the value style—driven primarily by the performance of technology stocks. Small cap value stocks outperformed the growth style, although small stocks suffered declines for the quarter. Overall, stocks lost a little over 1% for the quarter. The performance of international stocks was negative.

Performance of the bond market was also a problem, with long-term US interest rates rising during September. Since bond prices move in the opposite direction of interest rates, overall bond performance for the quarter was barely positive.

### Market Returns for Quarter



**Model Portfolio Review**

While all four of the investment model portfolios outperformed their peer groups, absolute performance was generally negative, with small losses being reported by three of the models. The Capital Maintenance model achieved a slight gain.

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 asset 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	-0.4%	-1.2%	-1.1%
Fixed Income	0.1%	0.0%	0.1%
Cash Equivalents	0.0%	0.0%	0.0%
<b>Consolidated</b>	<b>-0.3%</b>	<b>-0.8%</b>	<b>-0.7%</b>

**Account Status**

Foundation assets at quarter-end totaled \$126.4 million, a decline of \$100 thousand during the quarter. Investment losses totaled \$316 thousand. Year-to-date investment gains are \$9.5 million or 8.1%.

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

<b>Ownership</b>	<b>Amount</b>
Churches/Schools	\$ 81.4 million
Diocese/Foundation	45.0 million

## Model Portfolio Performance as of September 30, 2021\*

<b>Growth</b>	<b>3 Mo</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>
Portfolio Total Return	(0.34)	23.18	12.09	12.34
+/- Peer Group Composite	0.50	(0.53)	2.11	2.09
+/- Index Composite	0.48	(0.47)	0.91	0.96

<b>Growth &amp; Income</b>	<b>3 Mo</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>
Portfolio Total Return	(0.03)	16.17	10.33	10.01
+/- Peer Group Composite	0.47	(0.10)	1.83	1.72
+/- Index Composite	0.36	0.13	0.93	0.99

<b>Income</b>	<b>3 Mo</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>
Portfolio Total Return	(0.02)	11.41	8.38	7.87
+/- Peer Group Composite	0.33	0.12	1.47	1.44
+/- Index Composite	0.25	0.41	0.81	0.98

<b>Capital Maintenance</b>	<b>3 Mo</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>
Portfolio Total Return	0.02	0.31	2.31	1.63
+/- Peer Group Composite	0.00	(0.04)	0.28	0.17
+/- Index Composite	(0.02)	0.32	0.15	0.07

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