

The Episcopal Church Foundation in West Texas Investment Program

QUARTERLY REPORT

December 31, 2021

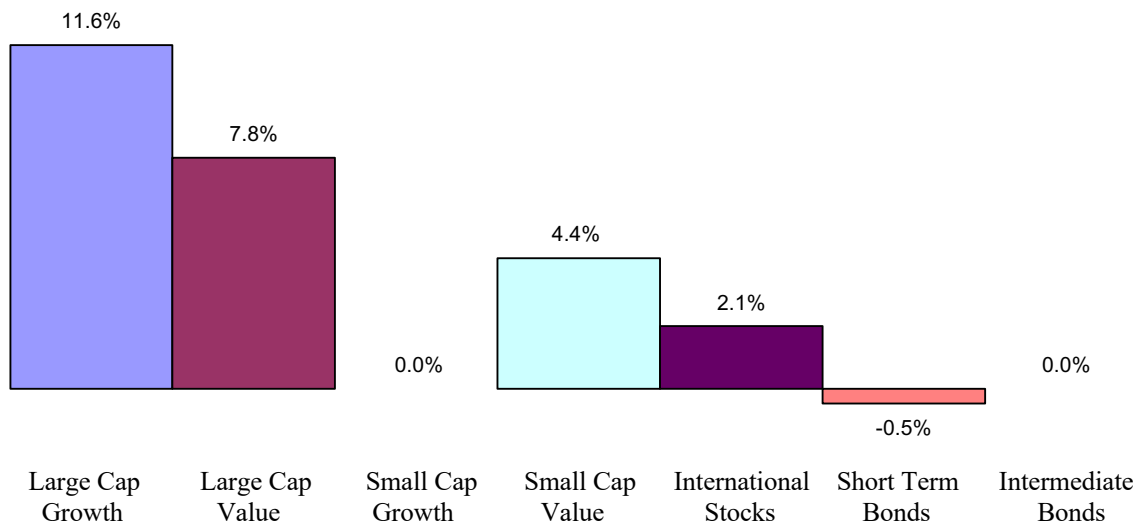
Market Report

World stock markets recovered nicely from the sell-off that occurred at the close of the third quarter. The S&P 500 index gained over 11% for the quarter. For the year, equities continued to achieve gains in excess of long-term trends, with the Russell 3000 stock index gaining over 25%. Investors ignored developments that hurt stock performance in the past. These developments included increased COVID cases, increased interest rates, supply chain problems, rising inflation, and increased market volatility.

Large capitalization stocks continued to outperform small cap. In the large cap space, the growth style outperformed the value style. Small cap value stocks outperformed the growth style. These same conditions held true for the year. The performance of international stocks was positive but trailed the US.

With the Federal Reserve announcing reductions of its monthly purchases of bonds and with increasing inflation, it's not surprising that interest rates continued to increase. Since bond prices move in the opposite direction of interest rates, overall bond performance for the quarter was negative and bonds lost money for the year.

Market Returns for Quarter



Model Portfolio Review

All three of the model portfolios with exposure to common stocks achieved gains for the quarter. The Capital Maintenance model sustained a slight loss. All models underperformed their peer groups and benchmarks for the quarter.

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.

Asset Class	Return	Peer Group	Benchmark
Common Stocks	6.1%	6.4%	6.9%
Fixed Income	-0.5%	-0.3%	-0.1%
Cash Equivalents	0.0%	0.0%	0.0%
Consolidated	3.7%	4.0%	4.3%

Account Status

Foundation assets at quarter-end totaled \$132.6 million, an increase of \$6.2 million during the quarter. Investment gains totaled \$4.7 million or 3.7%. For the year, investment gains were \$14.1 million or 12.1%.

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

Ownership	Amount
Churches/Schools	\$ 86.0 million
Diocese/Foundation	46.6 million

Model Portfolio Performance as of December 31, 2021*

Growth	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	3.97	13.21	17.69	13.10
+/- Peer Group Composite	(0.40)	(1.17)	1.96	2.26
+/- Index Composite	(0.67)	(0.96)	0.62	1.20

Growth & Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	2.95	9.58	14.12	10.61
+/- Peer Group Composite	(0.27)	(0.60)	1.68	1.83
+/- Index Composite	(0.70)	(0.76)	0.68	1.08

Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	2.17	6.75	10.87	8.30
+/- Peer Group Composite	(0.11)	(0.22)	1.36	1.48
+/- Index Composite	(0.35)	(0.21)	0.73	1.00

Capital Maintenance	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	(0.26)	(0.39)	2.00	1.67
+/- Peer Group Composite	(0.11)	(0.18)	0.20	0.14
+/- Index Composite	(0.14)	(0.08)	0.18	0.03

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