

The Episcopal Church Foundation in West Texas Investment Program

QUARTERLY REPORT

March 31, 2022

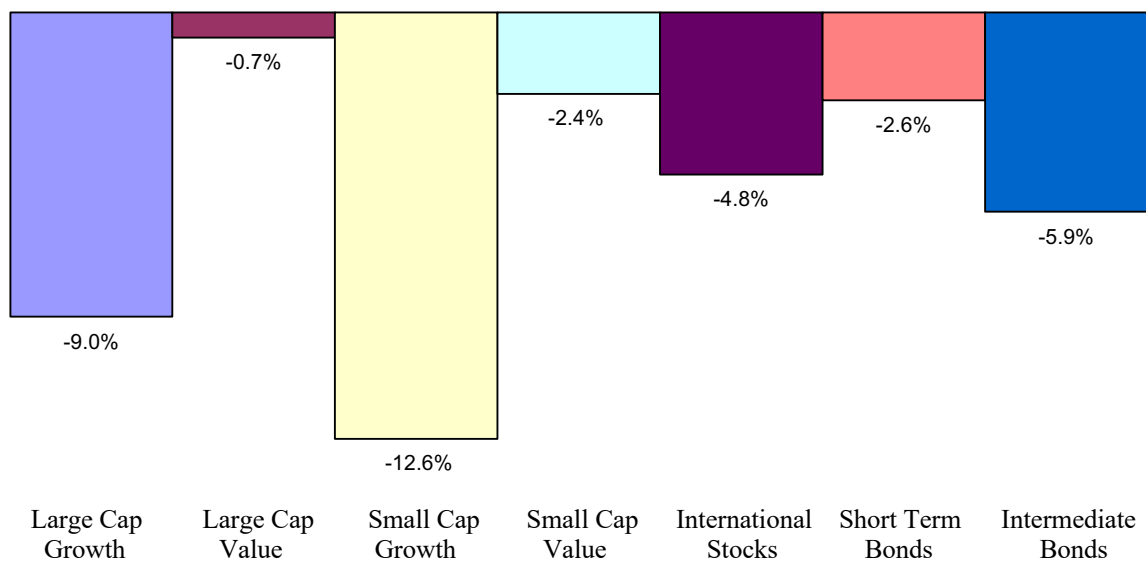
Market Report

Three events—all negative—impacted both stock and bond markets in the first quarter, leading to broad investment losses in both asset classes. Inflation surged to its highest level in 40 years, the Fed announced it planned to raise interest rates more quickly than previously indicated, and Russia invaded Ukraine. All three events are deemed threats to economic growth and caused investors to become pessimistic. While markets improved in late March, the improvement was insufficient to offset losses that had been sustained.

Stocks lost 5.5% overall. Large capitalization stocks continued to outperform small cap. The value style significantly outperformed the growth style in both capitalization categories. The performance of international stocks was in line with the US. Details are shown in the chart below.

Increasing interest rates and corresponding decreasing bond prices resulted in bond losses across the maturity spectrum. Yields on money market funds continued to be nonexistent.

Market Returns for Quarter



Model Portfolio Review

All four of the Foundation’s model portfolios sustained losses for the quarter. All models underperformed their peer groups and benchmarks for the quarter.

In mid-February, allocation changes were implemented in the three model portfolios that invest in common stocks. The changes did not alter the total allocations to stocks but should make the portfolios somewhat more defensive. Likewise, changes were made to the fixed income components of the same models intended to reduce the exposure to losses associated with increasing interest rates.

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	-8.2%	-5.8%	-4.1%
Fixed Income	-5.0%	-5.6%	-5.6%
Cash Equivalents	0.0%	0.0%	0.0%
Consolidated	-6.5%	-5.3%	-4.3%

Account Status

Foundation assets at quarter-end totaled \$124.3 million, a decrease of \$8.3 million during the quarter. Investment losses totaled \$8.6 million or (6.5%).

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

Ownership	Amount
Churches/Schools	\$ 81.2 million
Diocese/Foundation	43.1 million

Model Portfolio Performance as of March 31, 2022*

Growth	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	(6.13)	2.64	11.66	10.56
+/- Peer Group Composite	(1.28)	(0.76)	1.26	1.84
+/- Index Composite	(1.68)	(1.80)	(0.02)	0.78

Growth & Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	(5.06)	2.07	9.41	8.57
+/- Peer Group Composite	(1.05)	(0.51)	1.11	1.89
+/- Index Composite	(1.37)	(1.59)	0.11	0.71

Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	(4.06)	1.31	7.24	6.73
+/- Peer Group Composite	(0.70)	(0.20)	0.97	1.24
+/- Index Composite	(0.96)	(0.90)	0.31	0.72

Capital Maintenance	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	(1.64)	(1.51)	1.02	1.26
+/- Peer Group Composite	(0.01)	(0.14)	0.17	0.13
+/- Index Composite	(0.09)	(0.16)	0.09	(0.01)

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