

The Episcopal Church Foundation in West Texas Investment Program

QUARTERLY REPORT

December 31, 2022

MARKET REPORT

Unlike the first three quarters, both common stocks and bonds achieved positive gains for the fourth quarter. The US stock market gained over 7% and the intermediate-term bond market nearly 2%. For the year, both markets sustained losses—19% for stocks and 13% for bonds.

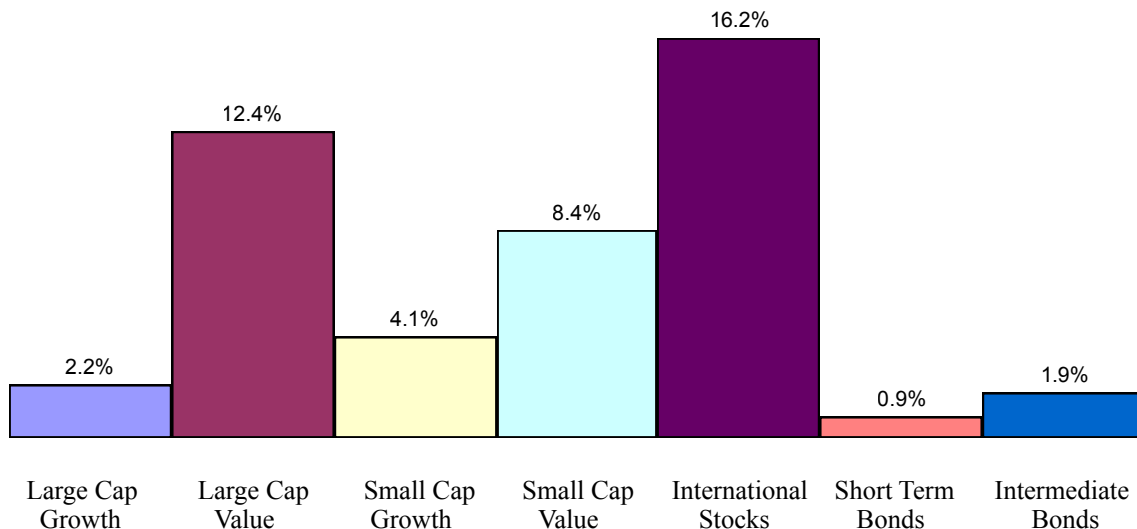
Investor attitudes improved during the quarter, but concerns remained about inflation, interest rates, the war in Ukraine, and nagging supply chain problems. Sustained optimism was lacking for the year.

The value style significantly outperformed growth for the quarter and the year. Large capitalization stocks outperformed small for the quarter and also for the year. Technology stocks—which led market performance in prior years—underperformed for the quarter and the year.

In a notable reversal, international stocks significantly outperformed the US by over 900 basis points for the quarter. This enabled non-US stocks to outperform domestic for the year, also.

Hopes that the Fed might be moderating its planned rate increases enabled positive quarterly gains across the maturity spectrum of fixed income investments. While money market rates continued to increase during the quarter, other fixed income rates stabilized somewhat. For the year, fixed income investors suffered losses not seen for 40 years.

MARKET RETURNS FOR QUARTER



MODEL PORTFOLIO REVIEW

All four of the Foundation's model portfolios achieved gains for the quarter, ranging from 1.0% for Capital Maintenance to 7.2% for the Growth Model. Relative performance was generally negative compared to peer groups, but positive compared to benchmarks.

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	9.7%	10.2%	9.3%
FIXED INCOME	1.8%	1.4%	1.3%
CASH EQUIVALENTS	0.8%	0.8%	0.9%
CONSOLIDATED	6.3%	6.5%	6.0%

ACCOUNT STATUS

Foundation assets at quarter-end totaled \$110.4 million, an increase of \$6.1 million during the quarter. Investment gains totaled \$6.5 million or 6.3%.

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

Ownership	Amount
CHURCHES/SCHOOLS	\$ 72.5 MILLION
DIOCESE/FOUNDATION	\$ 37.9 MILLION

MODEL PORTFOLIO PERFORMANCE AS OF DECEMBER 31, 2022*

Growth	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	7.22	(15.93)	4.27	5.82
+/- Peer Group Composite	(0.30)	(2.55)	0.44	1.08
+/- Index Composite	1.83	(1.06)	0.36	0.55

Growth & Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	5.22	(12.76)	3.56	4.97
+/- Peer Group Composite	(0.21)	(2.13)	0.43	0.92
+/- Index Composite	0.25	(2.16)	(0.11)	0.21

Income	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	4.00	(9.64)	2.73	4.11
+/- Peer Group Composite	(0.17)	(1.31)	0.52	0.86
+/- Index Composite	0.18	(1.57)	0.12	0.32

Capital Maintenance	3 Mo	1 Yr	3 Yr	5 Yr
Portfolio Total Return	1.01	(2.45)	(0.07)	0.93
+/- Peer Group Composite	0.02	0.21	0.17	0.20
+/- Index Composite	(0.02)	(0.32)	0.02	(0.03)

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