



the
EPISCOPAL
CHURCH *in*
WESTERN OREGON

Investment Overview

DIOCESAN INVESTMENT FUND

MARCH 31, 2024

Diocesan Investment Fund

A long-term, diversified investment portfolio that includes U.S. and non-U.S. equities, fixed income, real estate, and marketable alternatives.

Investment Horizon	Long-term
Assets	\$32.6 million
Focus	Traditional investments
Inception Date	1/1992

Governed by:



Diocesan Board of Trustees



Diocesan Investment Committee

SUPPORTED BY:



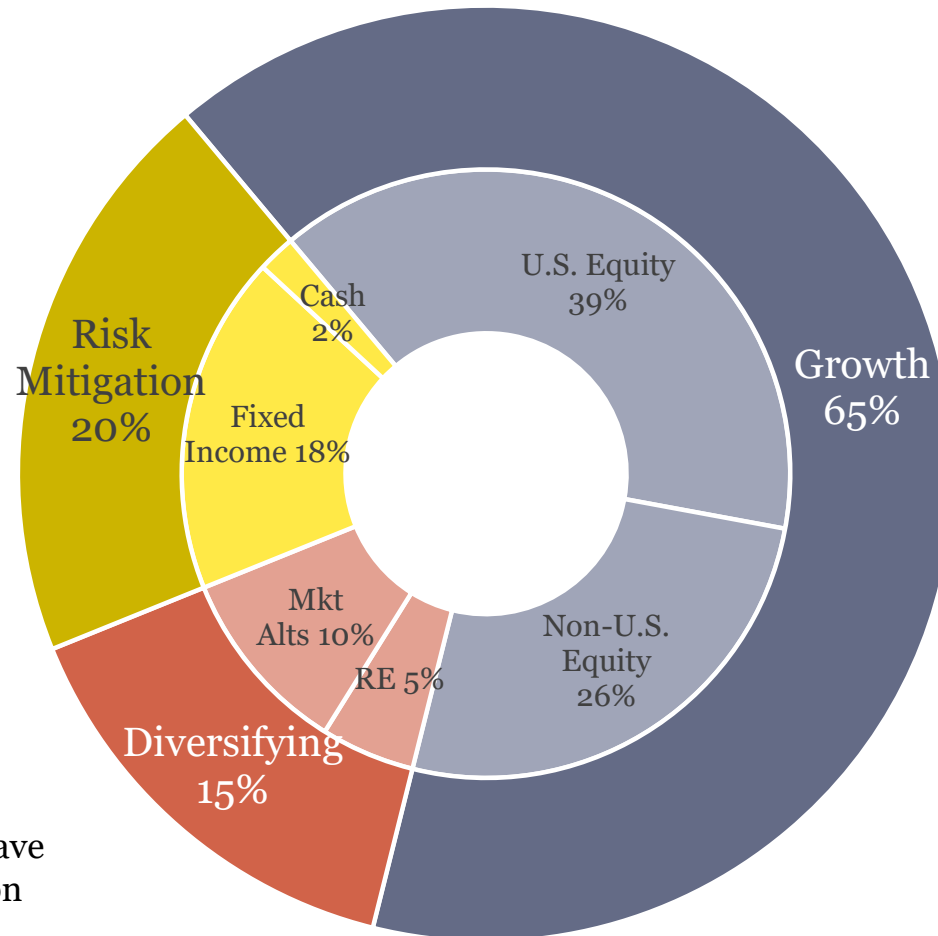
	Sellwood Consulting LLC	Fifth Third Bank
Role	Investment Advisor	Custodian Bank
Description	Full-service investment consulting firm, free from all conflicts of interest	Specialized financial institution responsible for safeguarding assets
Key Services	<ul style="list-style-type: none"> • Provides strategic investment advice and implementation • Serves as a fiduciary to the DIF 	<ul style="list-style-type: none"> • Provides dedicated custody and recordkeeping assistance • Contact for account services



Investment Structure



Target Asset Allocation



Risk Mitigation

Investments are expected to preserve capital when equity markets are down










Growth Investments are more volatile and are expected to increase assets

Diversifying Investments have potential portfolio diversification benefits



Manager Descriptions







Manager	Strategy	Description
U.S. Equity		
 Charles Schwab	Fundamental Large Index Fund	An institutional mutual fund that replicates the Russell Fundamental US Large Cap Index, which is weighted based on company fundamentals.
 Fidelity	S&P 500 Index Fund	An institutional mutual fund that replicates the S&P 500 Index.
 Segall Bryant & Hamill	Small Cap Value Equity	A mutual fund that invests in small U.S. companies by using fundamental, bottom-up research to identify high-quality companies that are expected to earn more than their cost of capital.
 Champlain Investment Partners	Small Cap Equity	A mutual fund that invests in small U.S. companies with a traditional value, absolute return focus, placing a premium on avoiding large losses and investing with a “margin of safety.”
Non-U.S. Equity		
 Dodge & Cox	International Stock	A value-oriented mutual fund that seeks long-term capital growth by investing in a diversified portfolio of mid-to-large non-U.S. companies.
 Fidelity	International Index Fund	An institutional mutual fund that replicates the MSCI EAFE Index.
 Harding Loevner	International Equity	A growth-oriented mutual fund that seeks long-term capital appreciation by employing a primarily bottom-up investment strategy, investing in non-U.S. developed markets and emerging markets.
 Dimensional	International Small Cap	A mutual fund that applies academic research to invest in a broad cross-section of small cap companies internationally.
 GQG Partners	Emerging Markets Equity	An institutional mutual fund that invests in emerging markets, focusing on quality growth companies at attractive prices.



Manager Descriptions



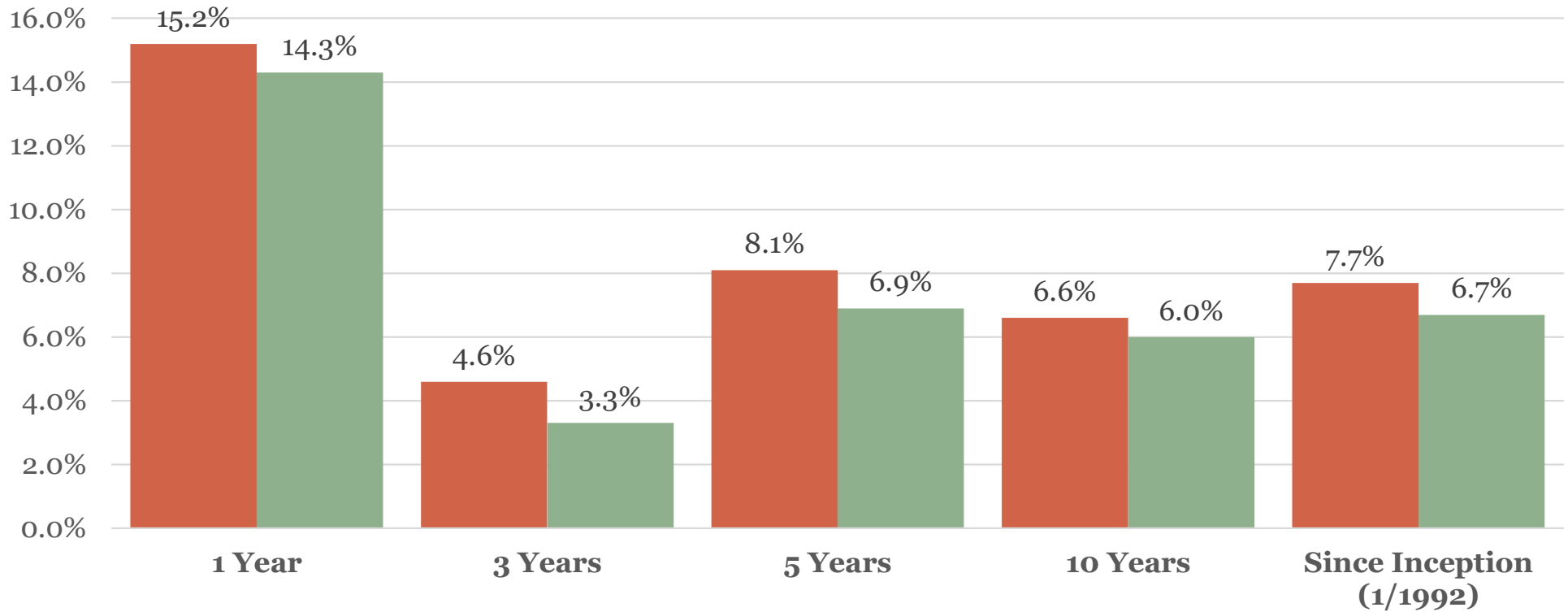
Manager	Strategy	Description
Real Estate		
 Dimensional	Global Real Estate	An institutional mutual fund that invests in a broad range of securities of U.S. and non-U.S. companies in the real estate industry, including companies in developed and emerging markets, with a focus on real estate investment trusts or companies that are REIT-like entities.
Marketable Alternatives		
PIMCO	All Asset	An institutional mutual fund with a “real return” strategy that invests tactically across underlying PIMCO mutual funds to outperform inflation by 5% over the long-term.
BlackRock	Multi-Asset Income	An institutional mutual fund that tactically invests globally in income-oriented strategies.
Fixed Income		
BlackRock	Total Return	A mutual fund that employs a core plus strategy with a research-driven approach combining top-down macroeconomic analysis and bottom-up security selection.
	Core Bond	An institutional mutual fund that employs a core plus strategy that relies on top-down sector allocation weightings and fundamental, bottom-up security selection.
	Total Bond Index Fund	An institutional mutual fund that replicates the Bloomberg Aggregate Bond Index.
Cash		
	Government Money Market	An institutional mutual fund that seeks to obtain a high level of income while maintaining a stable \$1 NAV and a very short average maturity.



Returns as of March 31, 2024



■ Diocesan Investment Fund ■ 60/40 MSCI ACWI/Barclays Agg (market benchmark)



*Ranked in the top 33% of peers**

*Ranked in the top 24% of peers**

*Ranked in the top 23% of peers**

*Ranked in the top 36% of peers**

*Ranked in the top 3% of peers**

* The DIF is ranked in a national universe of plan sponsors with up to \$50 million in assets.



Why Consider the DIF?



We employ a carefully controlled investment process, monitored by experienced investment professionals.

1. ACCESS TO INVESTMENTS

The investments retained by the Diocese for the DIF are typically only available to institutional investors.

2. COMPETITIVE FEES

Projected annual expenses are 0.8%* including all management, custody and consulting service fees.

3. PRUDENTLY MANAGED

The Committee consists of experienced investment professionals and is supported by practiced and respected custody and consulting specialists.

* Expenses are projected using the DIF's target allocation.



Why it Matters

from a large and small parish with investments in the DIF



St. Bart's, Beaverton

“Earnings and returns from the DIF go directly to keep our facility in good shape. We have eight different Recovery Groups that meet here regularly. We can keep their rent rates extremely low to help them with their mission and extend our Outreach.”

We also have a Korean Baptist Church which meets at St. Bart's. We keep their rents very low as well, which helps them to offer two services, one in English and one in Korean, which reach 75-85 congregants every Sunday.”

— REV. JEFF LITTLEFIELD,
RECTOR

Ascension Parish, Portland

“After many years of turmoil and change, Ascension Parish found itself feeling stable and ready to look forward for the first time in many years. Its Parish financial resources had been safely “parked” in the Diocesan Short-Term Fund (STIF), and yet with interest rates at such historically low levels, the Vestry challenged whether it could put some of that balance to work in a longer-term “growth” investment/fund.”

The Diocesan Investment Fund (DIF) was considered, and quickly embraced as an opportunity for the longer term funds of Ascension to gain access to a professionally managed, broadly diversified and institutionally monitored portfolio at a very low cost. We used dollar-cost averaging to invest funds over a one-year period of time beginning in 2015, and couldn't be more pleased with the results.”

— JEFF KRUM, SENIOR WARDEN



Which Investment is Right for You?



Will you need this money in the next 12 months?

Yes

No

DIOCESAN SHORT-TERM INVESTMENT FUND (STIF)

Investment horizon: short-term

Assets: \$5.4 million

Projected Annual Expenses:

0.2% investment management

0.1% custody services

0.3%

Focus: traditional, low duration investments

Inception date: 2/2010

DIOCESAN INVESTMENT FUND (DIF)

Investment horizon: long-term

Assets: \$32.6 million

Projected Annual Expenses:

0.4% investment management

0.4% custody & consulting services

0.8%

Focus: traditional, diversified investments

Inception date: 1/1992

DIOCESAN SOCIALLY RESPONSIBLE INVESTMENT FUND (SRIF)

Investment horizon: long-term

Assets: \$7.9 million

Projected Annual Expenses:

0.4% investment management

0.4% custody & consulting services

0.8%

Focus: socially responsible criteria & gospel value priorities identified at 2017 Convention

Inception date: 9/2016

FOR MORE INFORMATION

(503) 636-5613 | Finance Office
www.ecwo.org/investments



Diocesan Investment Committee

A committee of and
reporting to the
Diocesan Board of
Trustees

Mike Penfield, Convenor
St. John the Baptist, Portland
503-939-5898

Dick Anderson
Christ Church, Lake Oswego
503-635-2568

Rev. Brendan Barnicle
St. Francis of Assisi, Wilsonville
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Trinity Cathedral, Portland
503-919-0087

Ginger Dietzman
St. Gabriel the Archangel, Bethany
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Church of the Good Samaritan, Corvallis
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Kathy Gordon, Treasurer
503-485-2425

Rick Grimshaw
St. Michael & All Angels, Portland
503-221-7616

Kate Kenemer
Grace Memorial, Portland
503-358-7974

Jeffrey Krum
Ascension, Portland
503-704-5699

Michael Montgomery
St. Philip the Deacon, Portland
503-278-0388

ex-officio resources:

Anne Marie Lowe
Canon for Finance & Property
971-204-4115

Ashlee Moehring
Sellwood Consulting LLC
503-596-2885



Investment Restrictions



Contributions

- \$10,000 initial deposits
- Quarterly contributions
- Requests due by the 15th of the month prior

Withdrawals

- Monthly liquidity
- Requests due by the 15th of the month prior



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